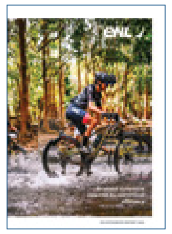
Renewed dynamism powered by operational efficiency

ENL INTEGRATED REPORT 2023



DAPHNEY DUPRÉ ©

Our cover features Raphaëlle Lamusse, marketing professional turned national cycling champion. Raphaëlle's remarkable journey is a testament to ENL enabling possibilities for its stakeholders. In 2012, She joined ENL Property as a junior marketing and communication professional in the Moka Smart City team. After a 7-year hiatus, Raphaëlle rekindled her passion for sports within the Moka Rangers Sporting Club and by 2019, she was proudly representing Mauritius at the African MTB championships in Namibia. Ever since, Raphaëlle won numerous medals and accolades, both nationally and internationally. September 2023 saw her transition into a new role as she assumed leadership at Synergy Sports and Wellness Institute, Moka's prominent sports centre.

Dear **Shareholder**,

Your Board of Directors is pleased to present the Integrated Report of ENL Limited for the year ended **30 June 2023**.

This report was approved by the Board on **11 October 2023**.

Please join us at the Annual Meeting of the company, on: **15 December 2023**

at: **09h00**, ENL House, Vivéa Business Park, Moka.

Sincerely,

Gilbert Espitalier-Noël
CEO, ENL Group

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About This Report

Boundary and scope

This report has been prepared in line with the principles set out by the International Integrated Reporting Council's (IIRC) International <IR> Framework. It reflects our integrated approach to sustainable value creation and is aligned with our financial statements' reporting boundary. It covers the financial year ended 30 June 2023 ("FY23") and addresses the risks, opportunities and outcomes arising from our:

- Business model – pages 24 to 25
- Operating environment – pages 54 to 77
- Strategy – page 8
- Stakeholder engagement – pages 28 to 38
- Risk management – pages 72 to 77
- Operational performance – pages 54 to 71
- Governance – pages 80 to 131

Compliance reporting

This report complies with the following laws and regulations:

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

External audit and assurance

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

Board responsibility and approval statement

The Board is ultimately responsible for overseeing the integrity of this report. With the assistance of the Board committees, it has considered the preparation and presentation of the 2023 Integrated Report and annual financial statements. It is of the opinion that this report addresses all material matters, offers a balanced view of its strategy, and how it relates to the group's ability to create value sustainably and is in accordance with the International <IR> Framework.

Forward-looking statements

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

Digital engagement

Please scan the QR Code to register for **digital communications** or complete the annexed shareholder consent form and send back to DTOS Registry Services Ltd. By converting to e-shareholding today, you streamline your access to crucial updates.

Feedback

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

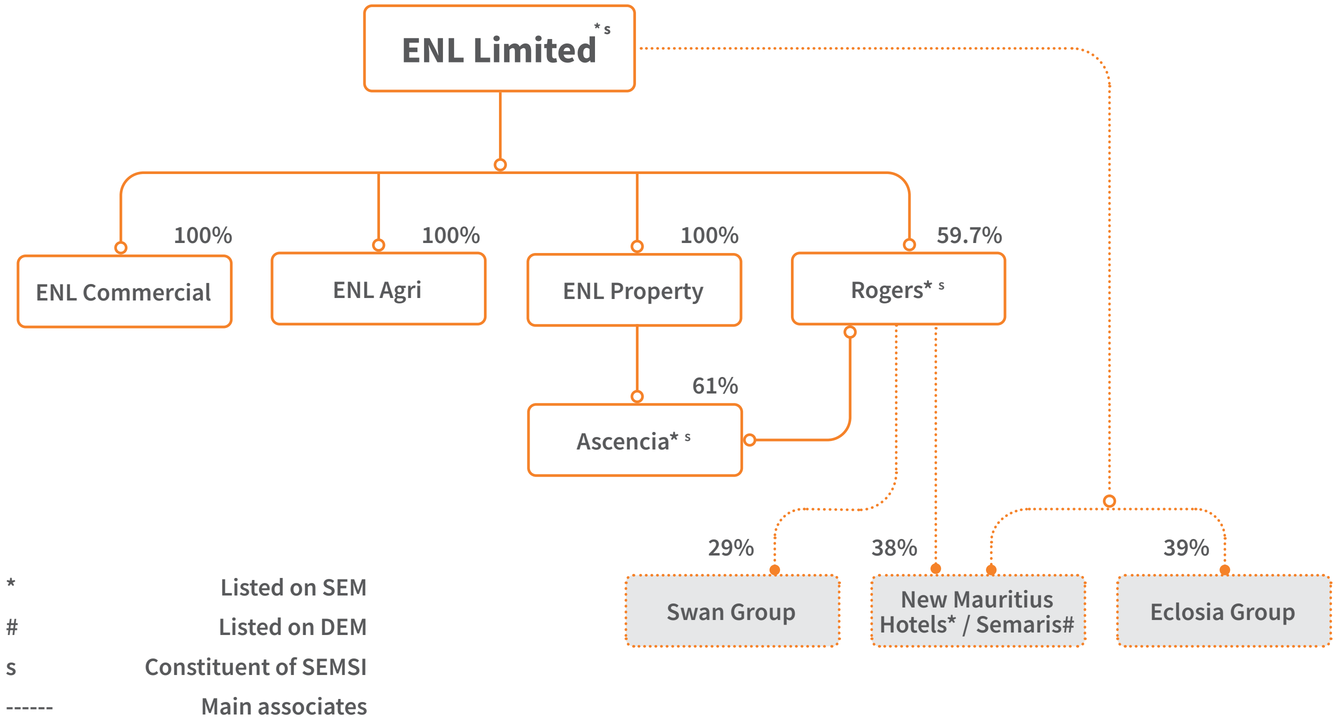

We continuously improve our efficiency by innovating our work methods and processes for better, faster and more profitable operations.
HyFlex
axess

Group Profile

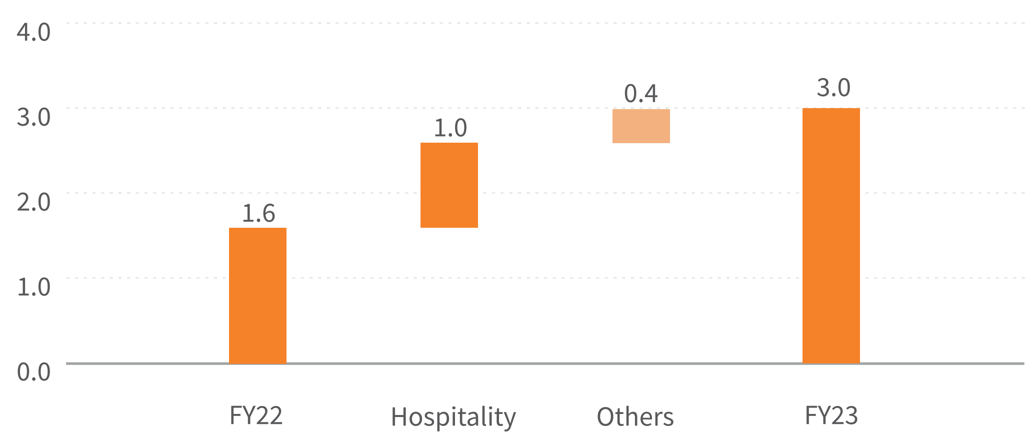
A transparent and reliable governance structure

- Balanced Board comprising a mix of Executive, Non-Executive and Independent Non-Executive Directors
- Team of seasoned and expert leaders
- Keen eye on risk management

Legal structure



From a profit of Rs 1.6 bn in FY22 to Rs 3 bn in FY23



We are well established

ENL Limited is the holding company of the ENL group, a broad-based enterprise developing and managing a portfolio of more than 120 international and home-grown brands in industries as diverse as agribusiness, real estate, hospitality, logistics, finance & technology, commerce & manufacturing as well as land & investment.

+200
years of track record

21,500
arpents of strategically located land

+4,000
shareholders

+120
international and home-grown brands

7,330
employees

7
segments

3
SEMSI-listed companies

Business Strategy

The financial year ended 30 June 2023 marked the end of **CAP23,** *Impact driven*, our strategic plan to 2023. Launched in 2020 amidst the onset of the COVID-19 pandemic, CAP23 has been a compass guiding us through the complexities of an ever-evolving landscape. Recovery exceeded expectations, with all segments performing well. Notably, Hospitality saw a rapid return to normalcy as borders reopened, while consumer spending remained strong, bolstered by government support.

CAP26, *making headway*, our latest 3-year business plan, kicked in July 2023, building on foundations laid during CAP23 and integrating evolutions in the business environment that have occurred since. It marks an acceleration on strategic focus areas such as Employee and Customer experience, Sustainable practices, Operational efficiency and introducing Business growth as an additional focus area. As we start this new chapter, we carry forward the lessons learned, the momentum gained, and the strong spirit that propelled us through the past three years.

With CAP26, we transition from an investment driven mindset to an approach more focused on operational efficiency.

CAP26, enjoins us to grow ENL's operating cash flows through high-performance teams that develop our businesses and create shared long-term value.

The areas we will focus on during CAP26's 3-year tenure

Employee experience
We craft purposeful, employee-centric workplaces to foster individual and organisational growth.

Customer experience
We grow our customer base and nurture customer loyalty by leveraging data analytics to deliver personalised experiences at every touchpoint.

Sustainable practices
We create long-term shared value by rethinking our business models and work practices, and by showing respect for our stakeholders and our planet at all stages of our value-chain.

Operational efficiency
We continuously improve our efficiency by innovating our work methods and processes for better, faster and more profitable operations.

Business growth
We grow our businesses both organically and through mergers, acquisitions and partnerships, to gain market share and enter new markets.

We are committed to drive impact in Mauritius

75%
Employee Trust Index Score

18
Great Place to Work® and 8 Best Workplaces®

Rs 26.5 m
investment in communities by ENL Foundation

7%
of electricity needs produced from own solar sources

Rs 1.5 bn
investment in infrastructure and services in Moka and Savannah smart developments

We have strong financials

Progression over FY19 – FY23

5%
NAV per share CAGR

10%
EPS CAGR

6%
Dividend per share CAGR

Rs 375m
Dividend to shareholders

Group Structure

	LAND & INVESTMENT	AGRIBUSINESS	REAL ESTATE	COMMERCE & MANUFACTURING	HOSPITALITY	LOGISTICS	FINANCE & TECHNOLOGY
SECTORS	Land owner Venture Capital Business incubator Energy solutions	Sugar cane Farming Food crop Trade & services	Smart Cities Residential Business parks Shopping malls Property funds Services	Automotive Manufacturing Trade & services	Hotels Travel Leisure	Logistics solutions	Credit Fiduciary Technology
COMPANIES	ENL Limited Compass Turbine EnVolt Ecoasis	ENL Agri Agrex ESP Landscapers Agrïa* Field Good	ENL Property Moka City Savannah Les Villas de Bel Ombre* Ascencia* Enatt Oficea Workshop17 CIPF Sygeco	Axess Grewals JMD Nabridas Plastinax Ensport Suntricity	Rogers Hospitality* Rogers Aviation*	Velogic* Rennel	Rogers Capital* Tagada
KEY INVESTMENTS	Société Helicophanta*	Eclosia	Semaris*	F.R.C.I Superdist	New Mauritius Hotels*	-	Swan*

* Also part of the Rogers group

View our detailed group structure on www.enl.mu

We craft purposeful, employee-centric workplaces to foster individual and organisational growth.

"ENL posted profit after taxation of Rs 3 billion for the year. We are happy to highlight the successful completion of CAP23, our three-year strategic roadmap that was formulated amid the uncertainties of the COVID-19 pandemic. We have navigated the turbulent waters and have met the performance targets we set in 2020, demonstrating the strength and agility of our organisation."

Jean Noël Humbert
Chairman until 29 September 2023

Chairman's Statement

Dear Valued Shareholders

I am delighted to address you as we reflect upon a remarkable year for ENL, marking the culmination of CAP23, our 3-year business plan. This year has showcased our strong commitment to excellence, as well as our resilience in the face of global challenges, and our dedication to sustainable growth.

Strategic achievement

We are happy to highlight the successful completion of CAP23, our three-year strategic roadmap that was formulated amid the uncertainties of the COVID-19 pandemic. We have navigated the turbulent waters and have met the performance targets we set in 2020, demonstrating the strength and agility of our organisation.

Resilient performance

The year under review was characterised by global inflationary pressures stemming from the Russia-Ukraine conflict and rising cost of capital. Despite these challenges, we are pleased to report a profit after taxation of Rs 3 billion for the year.

Our diversified portfolio of operations continues to thrive. The devaluation of the rupee posing challenges for our domestic businesses, also provided a competitive advantage to those among our companies which are engaged in foreign transactions. Our hospitality cluster achieved high occupancy levels, contributing Rs 1.4 billion to the group's profit. Our other segments, including Real estate, Commerce & manufacturing, Finance & technology, Logistics, and Agribusiness, have all contributed significantly to our solid performance.

Financial strength

ENL has a robust balance sheet, with total assets valued at Rs 91.3 billion and total equity of Rs 49.6 billion. This puts us in a strong position to empower our individual businesses to grow, while also ensuring that our shareholders receive reasonable dividends. This year, we are pleased to have distributed Rs 375 million in dividends, representing Rs 1 per share - a 25% increase from the previous year.

Focused development

We are dedicated to fostering growth. By leveraging our earnings and balance sheet, we have continued to expand our mall and office portfolios, enhancing existing assets and introducing new offerings to the market. Our integrated developments in Moka, Savannah, and Bel Ombre demonstrate our commitment to regional development. Notably, we are excited to be shaping Moka's city centre with a 20,000m^2 mixed-use property asset at Telfair.

Our commitment to sustainability remains resolute and deeply embedded in our business initiatives. Aligned with Business Mauritius' SigneNatir Pact, we are pursuing our efforts to reduce our carbon footprint, championing waste recycling and reuse, and investing in renewable energy. This commitment is further underscored by our strong engagement with communities through ENL Foundation.

Looking ahead

As we bid farewell to CAP23, we eagerly embrace our new business plan, CAP26. This three-year strategic plan, formulated during the year, will guide our efforts toward 2026 in a spirit of continuity and growth acceleration. Focused on enhancing customer and employee experiences, nurturing sustainable practices, and driving operational efficiency, CAP26 will pace our endeavours.

Governance

ENL's commitment to good governance and compliance remains unwavering. Throughout the year, we have conducted numerous Board and Committee meetings to ensure the highest standards of business conduct, buttressed by continuous training programmes for Directors.

We regret the loss of our fellow director Gérard Espitalier Noël, C.S.K, C.O.N.M., who has left us after a short but harsh battle with illness. Gérard, who has been on different ENL Boards since October 2012, has over the years contributed to our deliberations and decisions, drawing from the deep knowledge and vast experience acquired from a long and remarkable career in the travel business. Through years of close collaboration, we have been touched by his open-mindedness, friendliness, and natural inclination to empathy, all stemming from the innate sportsman and perfect gentlemen he has always been. His loss is deeply felt by all. The directors of ENL are joining me to reiterate our sincere condolences to his close family and relatives.

This year saw a planned transition in leadership, with Hector Espitalier-Noël retiring after four decades at the helm of ENL. We express our deepest gratitude to Hector for his unflinching support to ENL's development and extend to him our warm wishes for a fulfilling retirement. And we welcome Gilbert Espitalier-Noël, who assumed office as the new CEO of ENL on 1st July 2023.

Gratitude

In closing, I extend heartfelt gratitude to our stakeholders for their unwavering support. My sincere appreciation goes to my esteemed fellow Board members for their collaboration, and to the leadership team for their adept guidance of our operations. Finally, on behalf of the ENL Board of Directors, I commend the ENL team for their commitment to excellence throughout the year.

Yours sincerely

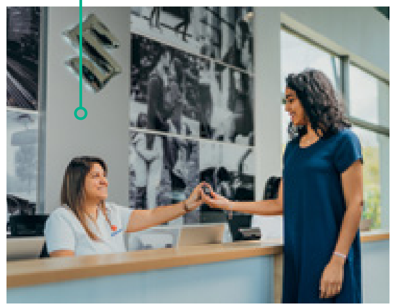
Jean Noël Humbert

40 Years of Inspired Leadership

The retirement of **Hector Espitalier-Noël** as Group CEO is an opportunity to revisit the four decades of active entrepreneurship under his leadership that accelerated the transformation of ENL from a family-run, primarily sugar-focused enterprise into a modern, diversified group ranking among the most significant players in the national economy.

1980s

Early initiatives taken to diversify the group in commercial and industrial activities post-independence. Some of which like Axess, Plastinax or Grewals were further developed and are still in operation.



1989

ENL and its main subsidiaries are listed on the newly created Stock Exchange of Mauritius, and thus open their capital to the whole of Mauritius. Today, ENL Limited counts more than 4,200 shareholders and has three of its current subsidiaries listed on the stock market, namely Rogers, Velogic and Ascencia.

1990's

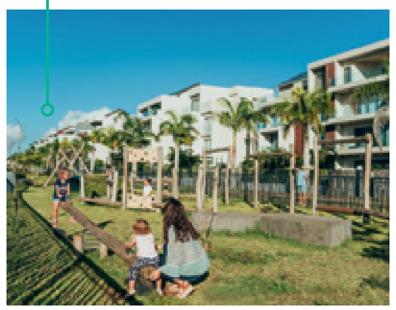
Active involvement in the development of a new sugar model for the country to ensure the profitability of this sector. The group strategically disengaged from sugar milling in late 2000 but remains the third largest sugar cane grower on the island.

1999

ENL is instrumental in transforming Bel Ombre from an agricultural area into a lifestyle destination attracting tourists and foreign residents.

2007

Launch of ENL Property as part of a strategic reconsideration of land use, aimed at increasing the financial yield from these assets and sustainably increase the value thereof.



2011

Opening of Bagatelle Mall, an overnight success that encouraged ENL to continue expanding its portfolio of malls on the island through Ascencia.

2012

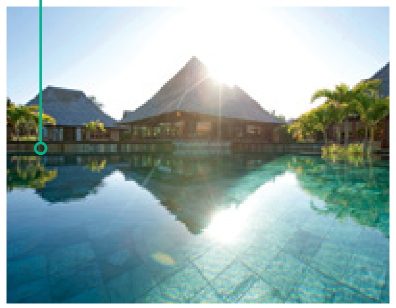
ENL became the majority shareholder of a restructured Rogers, a group repositioned to provide services to local and international markets. Its key components are Rogers Hospitality, Rogers Capital, Agrïa, Velogic and Ascencia. Velogic drives its global footprint with more than 50% of its profits generated outside of Mauritius.

2015

Turbine, a start-up incubator and accelerator, is established to foster an ecosystem for the emergence of a new generation of entrepreneurs in the country.

2017

- Moka acquires Smart City status and revs up its pace of development.
- Acquisition of a significant stake in Beachcomber Hotels, complementing the Rogers Hospitality operations and demonstrating renewed faith in the local hospitality industry.

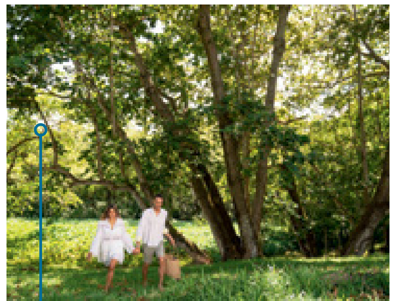


2020

Oficea is created to offer premium offices and workspaces. In 2022, a joint venture was contracted with South African Workshop17, to enhance the offering of flexible and fully serviced workspaces.

2021

- First Decathlon store opened in Bagatelle after ENL obtained franchisee status for this global brand. A second shop opens in the north at the end of 2023.
- Significant step taken in the renewable energy sector with the acquisition of a majority stake in Ecoasis, an energy solutions provider for the B2B market.



2022

Launch of Savannah Connected Countryside, a property development undertaken under the Smart City Scheme in the south that will encompass 440 arpents upon completion.

Letter from Former CEO

Dear Valued Shareholders

This year marks both the conclusion of my 40-year tenure as CEO of ENL and the final year of our 3-year business plan, CAP23, a roadmap that we charted in 2020 during the uncertain times of the COVID-19 pandemic.

I am happy to report that we achieved levels of performance that surpassed our own expectations, achieving recovery faster than anticipated. Our strategic diversification efforts played a key role in bolstering our resilience throughout the CAP23 period, as testified by our profit after tax of Rs 3 billion for the financial year 2023. Our net assets grew during this period from Rs 28.6 billion to Rs 32 billion, a clear indication of the value we created. Our ability to remunerate shareholders with a dividend of Rs 862 million during this three-year period speaks of our determination to distribute cash to our shareholders in acknowledgement of their personal expectations.

Allow me to highlight some of the key achievements that have shaped the past three years despite the numerous challenges brought about by the particularly difficult macro-economic environment. The growth we are experiencing in **Hospitality** is surpassing our initial expectations, after undergoing tough times during the pandemic. In the realm of **Real estate**, we maintained a consistent pace of property development in Moka. We also focused on enhancing connectivity through initiatives such as the Metro station at Phoenix Mall and improved road infrastructure in Moka. The successful launch of an integrated development for Savannah has strongly anchored this region into a highly promising destination for long term property development. Our malls have proven their resilience, with continuous enhancements to attract more shoppers. The growth of Oficea's portfolio, coupled with strategic partnerships such as Worshop17, further fortified our position in this segment.

The listing of Velogic on the Stock Exchange of Mauritius marked a significant milestone, setting the stage for its future growth and evolution. **Logistics** outperformed the goals set in CAP23. The **Agribusiness** sector is seeing a return to profitability for sugar cane, brought about by an enhanced remuneration for both sugar and its by-products. This paves the way for renewed investments in the sector which will carry on occupying the bulk of our land area for many years to come.

CAP23 saw a particularly strong performance in **Commerce & manufacturing**, with Axess and Decathlon as key contributors. **Finance & technology** geared up for growth in the upcoming CAP26 phase, ensuring that we stay ahead in a rapidly evolving landscape.

CAP23 saw us launch an Energy cluster, fostering an ecosystem within the group that aligns with our commitment to sustainability whilst diversifying our land usage. We also made significant strides in areas such as digitalisation, customer-centricity, employee experience, and sustainability. These endeavours have strengthened our position as a responsible and forward-looking corporate entity.

Acknowledgements

I am proud to leave behind a legacy of solid assets, skilled teams, proven partnerships and a people-centred corporate culture. ENL remains a group that is deeply committed to local communities, and above all, that continually aspires to move Mauritius forward through its entrepreneurial initiatives.

If ENL has been able to grow and gain in stature over the last few decades, it is undeniably thanks to our team of nearly 7,000 employees, who put their know-how at the service of our mission every day, with dedication and enthusiasm, holding up high our deep-rooted values of Connect, Commit and Innovate. It is also thanks to our Board of Directors, who have steered the group's initiatives with rigour and far-sightedness.

I wish to take this opportunity to thank you, our shareholders, for your confidence and unflinching support and trust throughout my years as Group CEO; it has been a passionate and wonderful experience which I was privileged to enjoy.

Looking ahead

The ENL culture and our entrepreneurial momentum are now being nurtured under the leadership of my brother, Gilbert, who has a proven track record as a dynamic, inspiring and innovative leader. ENL continues to prosper under his leadership, and I wish him every success. I am more than confident that ENL will once more deliver on its ambitious CAP26 targets, the strategic plan that has just started, and continue to create value for its shareholders.

Yours sincerely,

Hector Espitalier-Noël

"ENL continues to prosper under Gilbert's leadership, and I wish him every success. I am more than confident that ENL will once more deliver on its ambitious CAP26 targets, the strategic plan that has just started, and continue to create value for its shareholders."

Hector Espitalier-Noël

Discussion with CEO

Gilbert Espitalier-Noël is Chief Executive Officer (CEO) of ENL group since 1 July 2023, following the retirement of Hector Espitalier-Noël on 30 June 2023, at the age of 65.

After a long and successful career as Chief Operations Officer of Eclosia group, Gilbert launched ENL Property in 2007 and led the conception and execution of landmark developments like Bagatelle Mall, La Balise Marina and Moka Smart City, among others.

He left ENL Property in 2015 to take over the leadership of New Mauritius Hotels, an associated company just like Eclosia. Despite the COVID-19 challenge for the hotel industry, Gilbert achieved a spectacular turnaround for this company, which closed the outgoing financial year with very good results.

Gilbert is a seasoned business leader with extensive experience at national institutions' level, and in private-public sector relations. His priority as CEO of ENL will be to bring the group's different subsidiaries and associates to work more synergistically together to boost efficiency at creating long-term shared value for all stakeholders.

"I am a strong believer in teamwork, and I will do my utmost to bring talents from across the group to work together to achieve our shared growth objectives."

Gilbert Espitalier-Noël
Group CEO

Newly appointed CEO Gilbert Espitalier-Noël's priority at the helm of ENL will be to strengthen collaboration between the group's various entities to create long term value for all stakeholders. His vision for ENL is that of a strong team of high-impact individuals working synergistically to deliver superior, sustained and inclusive growth.

Hundred days into your new role as CEO of ENL Limited, what is your assessment of the company's state of health?

During my first weeks as CEO, I toured the group's companies to gain first-hand understanding of their business models and operations, as well as to connect with the teams that drive ENL's success. The insights I gathered, added to my prior knowledge of the group, allow me to say with confidence that I have taken the leadership of a very healthy group of companies indeed. Hector, my predecessor, has done an excellent job improving the yield and value of the group's significant asset base. He has built a team of competent, hard-working, and engaged talents. He has also nurtured winning relations with a network of stakeholders who bring us know-how, experience, finance, and goodwill. Today, ENL is a strong, modern, and well-diversified group of companies, with major interests in seven business segments. This is a very strong base for me to build on.

What will be your priorities during your term of office?

I intend to lay much emphasis on strengthening the ENL ecosystem for value creation with a view to continuously increase efficiency and performance. Our first steps in this direction will include,

i. *Increasing intra-group synergies:* I will focus on bringing our different teams to work together in ways that amplify our individual and collective performances. For example, there are clear and exciting synergies to be developed with companies forming part of our main subsidiary, the Rogers group.

ii. *Elevating employee experience*: I believe that great businesses are built by people who feel valued and fulfilled at the workplace. I will see to it that ENL strengthens its position as a Great Place to Work so that it attracts and retains the best talents on the market.

iii. *Delivering a precision customer experience*: We will leverage our newly consolidated data platform, built from the group's large and diverse customer base, to offer unique and targeted experiences to our guests and clients.

iv. *Reviewing the group's financial structure*: I am deeply convinced that a holistic approach to the group's financial structure will enable us to not only optimise our use of available financial resources, but also facilitate access to new instruments as the financial market evolves.

v. *Improving operational efficiency*: I believe that true long-term value can only be created by efficient operations. I will encourage ENL companies to regularly reassess their work processes and methods, and to utilise the full potential of automation and digitalisation to become unbeatable at what they do.

You took the reins of ENL in your hands at a time when the group was adopting CAP26 *making headway*, its new business plan. What's on the agenda for the coming three years?

We have planned to have a stronger operational focus. We aim to strengthen our operations with a view to generating more robust cash flows. We will be mostly growing our current businesses. ENL is driven by its pursuit of **long-term shared value creation**. This sustainability principle guides our actions and decisions. In the coming three years, we are going further in our endeavours to enhance customer and employee experiences, and to embed sustainable practices into our operations.

How will the group maintain its growth momentum?

The ENL group has a large operational base in areas as diverse as hospitality, agriculture, financial services, logistics, property development and operations, as well as commerce and manufacturing. We will grow this activity base organically as well as through mergers and acquisitions, both locally and overseas. Our objective is to be among the market leaders in each of our business segments.

All our businesses are currently in a strong position to deliver solid growth. We expect our hotel operations to be the largest contributor to our performance. As the premier tourism operator in the island with brands such as Veranda, Heritage and Beachcomber in our portfolio of subsidiaries and close associates, we are well poised to take advantage of the significant improvement in market conditions.

What are the ambitions for the remaining five business segments?

We are strengthening our leadership in the real estate sector with two smart city certified developments under way, and a growing portfolio of yielding assets developed and owned by Ascencia and Oficea. The coming years will see continued growth in this portfolio, especially in the office space segment.

We are witnessing renewed dynamism in our agribusiness segment where sugar cane is profitable again. We are investing in our fields to improve yields, and we will be launching new crops that are better suited to the superhumid parts of our estates.

We expect the Logistics as well as Finance & technology segments to continue to grow in the region, increasing our international footprint. We are also accelerating our pace of growth significantly in the Commerce & manufacturing segment where our companies such as Axess and Decathlon are expected to grow significantly.

The coming three years should also see us increase our stakes in the renewable energy sector, where we are very active through our three companies EnVolt, Ecoasis and Suntricity. We have earmarked a Rs 700 million investment in solar farms over the next three years.

What is the sustainability agenda of ENL?

First and foremost, we are operationalising sustainability in line with our commitment to foster a responsible value chain. We have thus aligned our sustainability roadmap with the SigneNatir Pact as promoted by the national business community. We are guided by the belief that business can be a force of good and ENL has the size to significantly impact its natural, social and economic environments. We are also investing considerable efforts into safeguarding biodiversity in the regions where we operate. This is exemplified by Rogers' efforts in Bel Ombre and the work we are doing in the Moka region. Through the ENL and Rogers foundations, we continue to promote the social and economic inclusion of vulnerable communities as well as protect the natural environment.

The war for talent is on. What is ENL's strategy to secure the talents it needs to execute its strategic ambitions?

The ENL employer brand is quite strong. Our companies work hard to secure high engagement rates among employees and offer competitive rates to attract new talents. Our engagement surveys comfort us in that regard. We have embarked on an initiative to map the ENL employee experience journey with a view to continuously improve it. We intend to bring a wide range of opportunities to our employees for their personal and professional growth. The divide between personal and professional life is narrowing, and I am a strong believer in the employer's responsibility to create an environment that fosters work-life integration for its employees.

We have embarked on an initiative to map the ENL employee experience journey with a view to continuously improve it. We intend to bring a wide range of opportunities to our employees for their personal and professional growth.

What will ENL look like in three years' time?

I see a strong ENL with efficient operations that make optimal use of modern technologies, each having a larger contribution in the group's overall performance. Our productive capacity will have improved significantly across all segments while growth will be mainly driven by the Hospitality segment, followed closely by Real estate and Commerce & manufacturing. I see an ENL with consistently increasing Net Asset Value and dividend pay-outs, as we continue to reinvest a substantial portion of our earnings to improve our productive capacity and to better fulfil the aspirations of our customers. And above all, I see dynamic, super competent team members with a go-getter attitude, working together, no matter where they are in the group, to achieve shared growth objectives.

I see a strong ENL with efficient operations that make optimal use of modern technologies, each having a larger contribution in the group's overall performance.

A word to conclude?

I want to extend my heartfelt gratitude to all our stakeholders for the opportunity to serve at Group CEO level. Your unwavering support is the cornerstone of our success. I also want to express my deep appreciation to my esteemed fellow board members, whose collaboration and wisdom will continue to guide us forward. A special acknowledgment to our former Chairman for his committed leadership. To our dedicated leadership team members and to the entire ENL team, I say, let's do this together! Let's grow ENL to its full potential.

"We are guided by the belief that business can be a force of good and ENL has the size to significantly impact its natural, social and economic environments. We are thus also investing considerable efforts into safeguarding biodiversity in the regions where we operate."

Gilbert Espitalier-Noël

Value Creation Model

HOW WE CREATE VALUE

Financial
- Debt
- Equity
- Reinvestment

Manufactured
- Buildings
- Machinery and equipment

Human
- Leadership
- Employees

Social & relationship
- Business partners
- Customer relationship

Intellectual
- Licences
- Know-how
- Systems

Natural
- Land
- Energy

OUR DNA

PURPOSE
The relentless pursuit of value creation, sustainably.

VALUES
Connect, Commit and Innovate
- We connect with our stakeholders to better understand their needs and expectations.
- We commit to perform to the highest standards.
- We innovate, embracing change and continuously improving our work methods and processes.

PROMISE
Enabling possibilities

We are driven by a sense of possibility that sustains our spirit of enterprise and leads us to create value for all our stakeholders over time.

ENGAGEMENT WITH STAKEHOLDERS

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

Driving impact – Human (pages 28 to 38)

GOVERNANCE STRUCTURE

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

Governance (pages 80 to 131)

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

Risk management (pages 72 to 77)

VALUE WE CREATE

Financial
Group profile (pages 6 to 9)
Group review (pages 54 to 55)

Manufactured
Segment review (pages 56 to 71)

Human
Driving impact - Human (pages 28 to 38)

Social & relationship
Discussion with CEO (pages 20 to 23)
Segment review (pages 56 to 71)
Driving impact (pages 26 to 51)

Intellectual
Driving impact (pages 26 to 51)

Natural
Driving impact – Ecological (pages 39 to 44)

Active in 7 business segments

- LAND & INVESTMENT
- AGRIBUSINESS
- REAL ESTATE
- COMMERCE & MANUFACTURING
- HOSPITALITY
- LOGISTICS
- FINANCE & TECHNOLOGY

Segment review (pages 56 to 71)

Close to modern conveniences and unspoilt nature, Savannah Connected Countryside, is our newest venture with a long-term vision to offer a high quality of life in an aesthetically pleasing setting.

Driving Impact

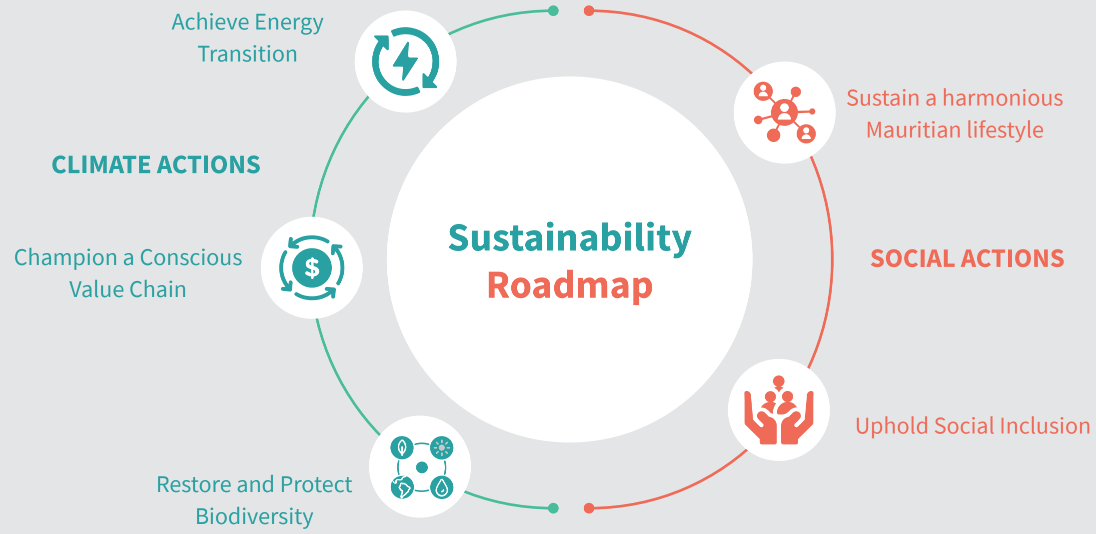
CAP23, *impact driven*

ENL has consistently been creating long-term shared value for its stakeholders. Under CAP23, we have taken the double challenge to:

- Ensure that our operations minimise their adverse human, ecological and economic impact; and
- Go beyond the "do no harm" approach to innovate and drive a positive human, ecological and economic impact.

ENL's Sustainability Roadmap

The group has reorganised its sustainability strategy under a single roadmap towards 2030, which reflects our strong conviction that an inclusive and more environmentally friendly world is essential for the long-term prosperity of our businesses. The Roadmap 2030 is aligned with the Sustainability Development Goals of the United Nations and with Business Mauritius' SigneNatir framework. It encompasses five action pillars categorised under Climate and Social actions.

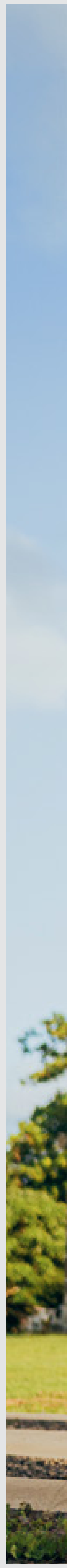


Our approach to mainstreaming sustainability strategies requires:

- Being pertinent: Acting on what matters to our respective businesses, to our customers and our country.
- Being committed: Clear targets, tasks and metrics to follow with defined milestones for 2026 and 2030.
- Being inclusive: Involving our whole ecosystem in the change.

Governance

We believe that a successful integration and effective management of sustainability requires having a committed leadership and a robust governance structure. This is why ENL Limited has further reinforced its Sustainability department in November 2022, with a Head of Sustainability ("HoS") reporting directly to the Group CEO, and a Sustainability Officer. The HoS presides over a Management Committee consisting of fifteen champions from various subsidiaries. Moreover, the Group CEO provides regular updates to the Board of Directors regarding sustainability initiatives.



Human Impact

ENGAGEMENT WITH STAKEHOLDERS

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

Shareholders & providers of capital

Their expectations

- Sustainable return on investment
- Good governance
- Open, transparent, accurate and timely information
- Dialogue and engagement
- Long-term value creation

Our response

- Providing sustainable return on investment
- Maintaining relationships with shareholders and the investor community through regular communication about the group's performance
- Holding annual general meetings where shareholders have been able to directly engage with our leadership, ask questions and express their views
- Seeking feedback from our stakeholders and developing action plans

No. of shareholders:
4,251 (2022: 4,216)

Outcomes and highlights during the year

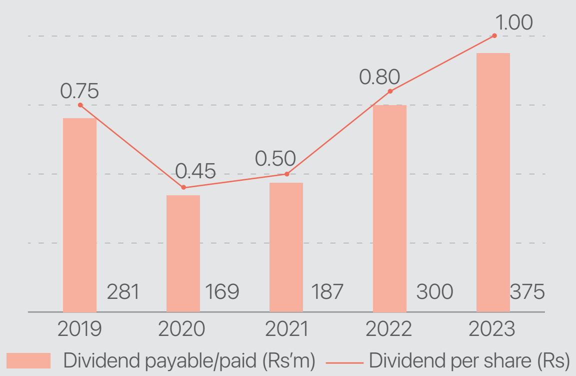
- Maintained regular communications through quarterly earnings releases, the annual report, email campaigns, our blog Enlighten and social media platforms
- Revamped the investor corner of our website to create distinctive and dedicated areas for both potential investors and shareholders
- Better involved shareholders and providers of capital and reinforced synergies in our relationships
  - Conducted surveys among the investor community to gain insights of their needs and gather their perspectives
  - Fostered engagement and discussions through events like the Annual General Meeting and Investor Relations Meetings
- Remunerated shareholders, through dividends, for their continuous support and attest to the group's good performance

Looking ahead, ENL is dedicated to further enhancing engagement with shareholders and providers of capital and developing the group's attractiveness as investment with strategic partners and investors.

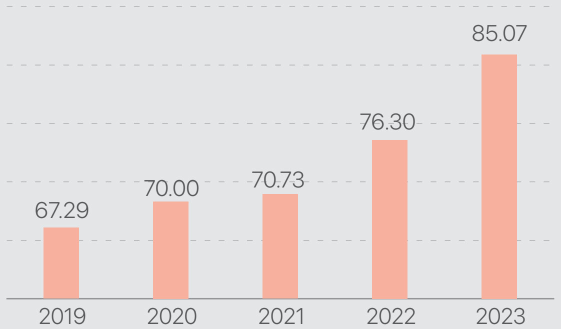
Value creation model (pages 24 to 25)

Corporate governance report (pages 88 to 108)

Dividends



Net asset value per share (Rs)



7,330
employees (2022: 6,765)

Employees

Their expectations

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

Our response

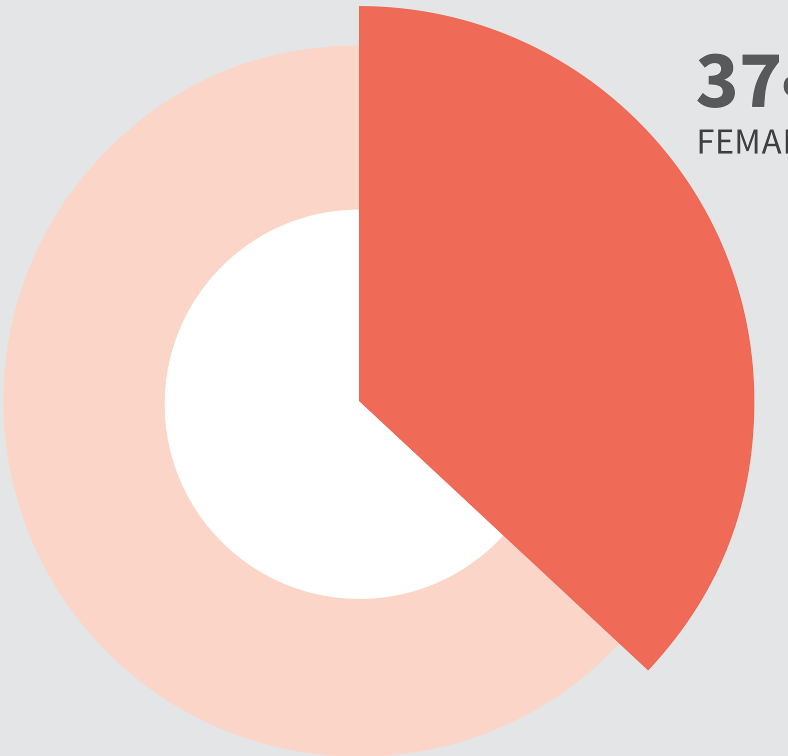
- ENL's mission, values and strategic objectives as well as employee engagement promoted through #myinPACT Programme
- Employee engagement monitored every year
- International benchmarking for the quality of work environment we provide like the Great Place to Work certification
- National benchmarking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

18 ENL companies obtained the Great Place to Work certification.

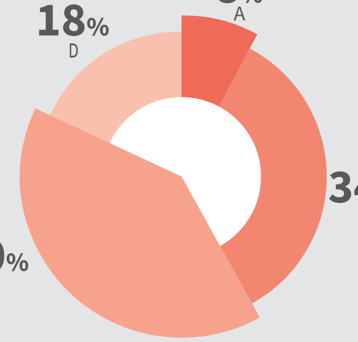
Outcomes and highlights during the year

WORKFORCE AT A GLANCE

Gender

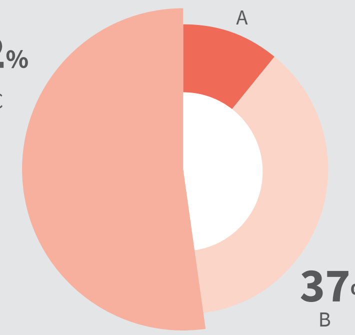


Generation



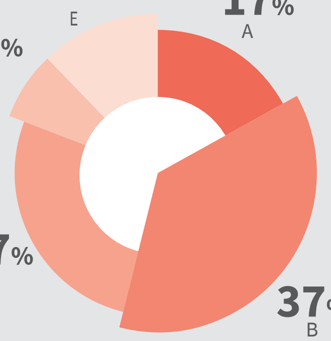
A. BABY BOOMERS (1946 TO 1964)
B. GEN X (1965 TO 1979)
C. GEN Y (1980 TO 1994)
D. GEN Z (1995 ONWARDS)

Category



A. MANAGER
B. STAFF
C. OPERATIVES

Years of service



A. <1
B. 1-5
C. 6-15
D. 16-19
E. >20

Retention rate: 72%

Stability Index: 77%

+390 employees promoted

TALENT ATTRACTION AND RETENTION

During the year, our ongoing efforts encompassed the following initiatives:

- Furthering the leadership framework through succession planning, leadership coaching and training opportunities.
- Extending the reach of psychometric testing and profiling assessments, along with feedback sessions and personalised development plans, to include more employees from group companies.

Rogers' HR Operations have undergone a significant transformation, strengthening their Talent Acquisition Engine. To boost recruitment capabilities, they have partnered with global recruitment agencies, integrated the Interview AI platform, and expanded their involvement in career fairs.

+200 trainees welcomed

EMPLOYEE EXPERIENCE

We believe possibilities are endless if the right mindset is cultivated. At ENL, our people share and drive our quest and vision; to create impact sustainably.

Some initiatives during the year included:

- **Surveys and culture audits.** 18 companies were certified Great Place to Work, out of which 5 companies were nominated as Best Workplaces. Rogers carried out the same exercise with Willis Towers Watson and obtained 85%.
- **Focus groups.** Conducted within companies, providing employees with the platform to put forth ideas for enhancing their work environment and strengthening overall employee engagement.
- **#myInPACT.** In November 2022, myENLday, witnessed over 900 employees from various subsidiaries gathered around games aimed at fostering team cohesion and reaffirming their commitment to the #myInPACT programme.
- **Awareness talks and activities for internationally celebrated themes.** In continuance with previous years, we celebrated numerous international days including International Women's Day under the theme Embrace Equity.

During the year, Rogers fostered an inclusive and engaging work environment through several initiatives, including:

- Rogers Podcast: Launch of the Rogers Podcast, aimed at inspiring and educating team members with exclusive interviews and practical insights.
- Wellness: Focusing on employee well-being with mindfulness and relaxation activities, including meditation and breathing sessions, health awareness programs and group walks.
- Coaching: Offering personalised coaching to employees seeking guidance in various areas, such as building self-confidence, enhancing executive presence, managing stress, and developing leadership competencies.

Trust Index Score (excluding Rogers group): 75%

42 partners on myENL card (including 14 from outside of the group)

LEARNING AND DEVELOPMENT

ENL strives to foster a culture of continuous learning. This year saw The Enabling Academy gaining momentum and effectively conducting 20 training sessions, engaging around 700 participants. These sessions were primarily concentrated on strategic and top-down topics, such as:

Sustainability: La Fresque du Climat and Bilan Carbone

- Operational efficiency: Lean Processes
- Regulatory training: Compliance and AML/CFT

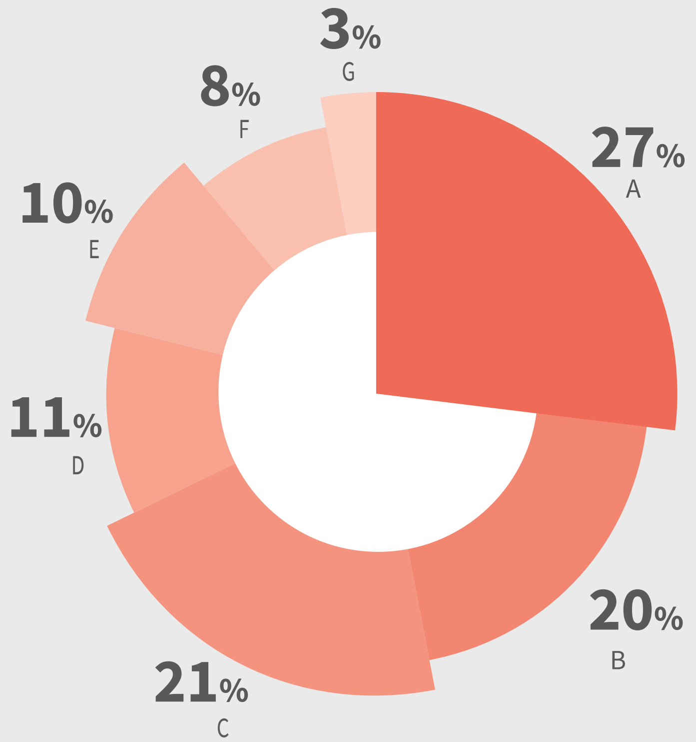
Rogers' People Development initiatives during the year included:

- Continuation of GROW Management Development Programme and RISE Sales Programme: Ensuring ongoing professional growth and sales excellence.
- Rogers Talks: Themed discussions addressing talent acquisition, employee engagement, and the cultivation of a modern workplace culture.
- Partnership with Mind Transformations:
  - Offered an 11-day Neuro-Linguistic Programming Practitioner Certification Training to enhance communication, coaching, and self-mastery skills.
  - Organised the Associate Coach Certification Programme, with 3 senior managers currently working towards becoming certified associate coaches.

Hours invested in training:
145,172 (2022: 89,400)

Investment in training:
Rs 59m (2022: Rs 37m)

Training expense per area of focus



A. LEADERSHIP AND TALENT DEVELOPMENT
B. TECHNICAL COMPETENCIES
C. PEOPLE FOCUS
D. ICT AND EQUIPMENT
E. COMPLIANCE (LEGAL, QUALITY STANDARDS, REGULATORY AND GOVERNANCE)
F. TEAM SYNERGIES
G. HEALTH, SAFETY & WELFARE

WELL-BEING, SAFETY AND HEALTH

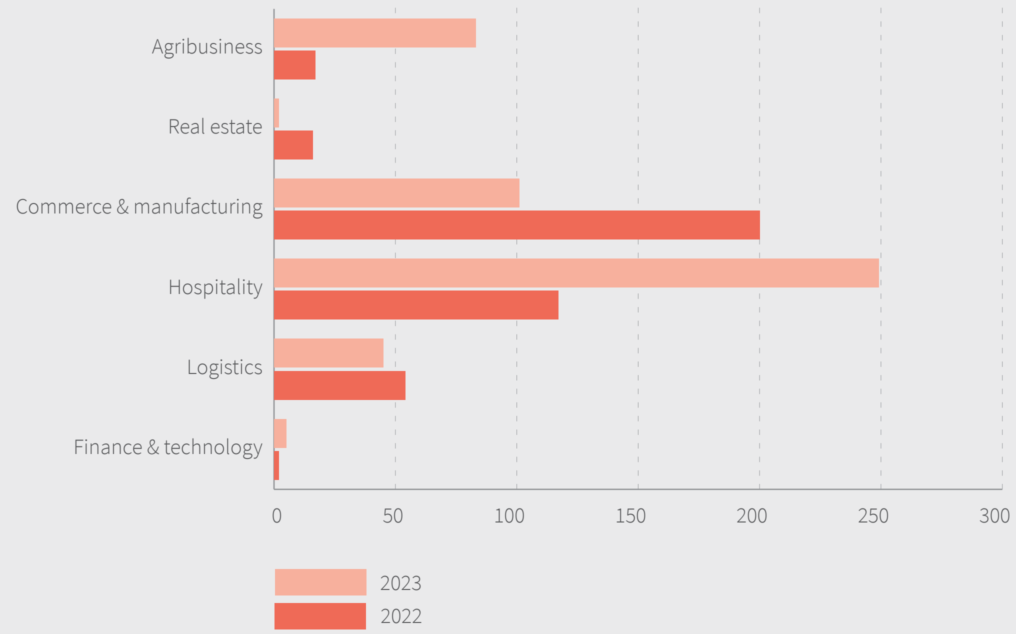
ENL is committed to act as a responsible employer by providing a safe working environment and foster the wellbeing and health of its employees, customers and other stakeholders. With this perspective in mind, policies are regularly assessed and revised to stay ahead of trends and maintain relevance within current context. The group also complies with the provisions of the Occupational Safety and Health Act 2005 and its associated regulations. Initiatives taken this year included:

- **Awareness, sensitisation and training sessions.** Promoted safe working environments and the deployment of adopted policies; and ensured that our workforce is equipped with the right knowledge and skills to ensure their safety, such as first aid, fire and road safety.
- **Risk assessments.** Performed risk assessments to identify potential risks and implemented appropriate control measures in safeguarding the safety and health of our employees.
- **Communication and feedback.** Communicated best practices and collected employees' safety concerns and suggestions for improvement.
- **Inspections and audits.** Promoted continuous improvement and identified hazards and non-compliances through inspections and audits.
- **Culture.** Fostered a culture for health and wellbeing through events such as prostate cancer screening, eye screening, talks on chrono nutrition, cardiovascular diseases, cervical cancer & HPV, laughter therapy and massages.

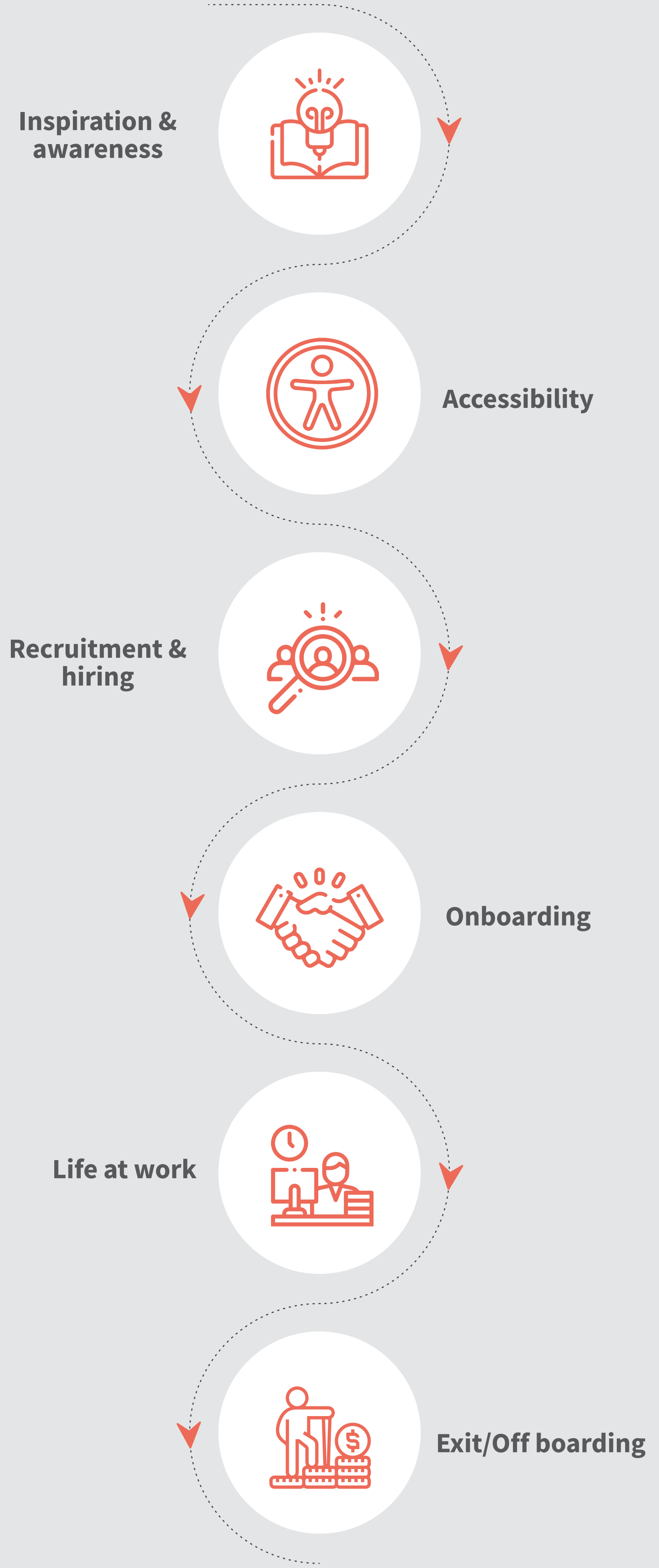
Safety and Health training and toolbox talks:
5,750 employees (2022: 3,960)

Segments	Lost Time Injury Frequency Rate for every 200,000 hours worked
Agribusiness	6.0
Real estate	0.4
Commerce & manufacturing	7.0
Hospitality	4.8
Logistics	5.3
Finance & technology	0.9

Number of reported Occupational Safety and Health incidents



Employee experience journey



Les Fascines, our LEED certified office facility offers premium workspitality services to its tenants.

CAP23 has paved the way for greater emphasis on Employee Experience ("EX"). Our focus for the next three years under CAP26 is on enhancing our Employee Value Proposition to attract and retain talents amidst an environment where talent attraction is becoming increasingly challenging.

To spearhead the CAP26 Strategic Focus Area of EX, an ENL EX journey has been developed. Additionally, a matrix has been set up to accompany the ENL EX journey, outlining significant points that contribute to delivering the appropriate EX at every phase.

Efforts will also be placed on initiatives such as:

- Internal mobility within the group,
- Agility of the work environment, and
- Data-led and human-centred approach for human resources management.

Business partners & suppliers

Their expectations

- Equal access and mutually beneficial supplier and partnership opportunities
- Be treated in a professional, fair, transparent, ethical and responsible manner
- Favourable agreement conditions and timely remuneration

Our response

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

Outcomes and highlights during the year

Group Review (pages 54 to 55)

Customers

Their expectations

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

Our response

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

Outcomes and highlights during the year

In a rapidly changing business landscape, we prioritise understanding and meeting customer needs. During CAP23, our commitment to customer-centricity drove us and kickstarted our transformative journey. Today, this continues through strategic data utilisation and investments in tailored technological solutions for a superior customer experience. As a result, we are constantly evolving our standing within the market and consistently delivering on the promises we make to our customers.

During the year under review, several initiatives aimed at crafting tailored customer experiences have been successfully implemented:

- Establishment of a **Group Database** encompassing over 300,000 distinct customers.
- Adoption of a **Customer Data Governance Policy Framework** by all ENL companies.
- Monitoring of **Customer Experience and Data Maturity** assessments across all entities.
- Successful rollout of more than 15 **customer engagement** and **new market projects**.
- Ongoing measurement of **Customer Satisfaction Index** and **Net Promoter Score** across all entities.
- Introduction of multiple projects by our entities to enhance **customer relationship management**.

To boost Customer experience within the group and execute CAP26, the team that drives the implementation of customer strategies for this pivotal stakeholder group, offering data management and marketing solutions, has expanded during the year.

Over the next three years, multiple strategic workstreams will be implemented, including:

- Continued expansion of the group's customer database
- Redefining data capture strategies from a customer-focused perspective, incorporating measures of customer satisfaction and acting on customer feedback
- Proposing in-house customer solutions for market opportunities

ENL's online engagement:

567k paid reach
(2022: 706k)

884k content views
(2022: 865k)

667k page visits
(2022: 562k)

Local communities

Their expectations

- Generate local employment opportunities or within ENL group
- Responsible citizenship through transparency and ethical operations
- Stay committed to community improvement
- Support to become more autonomous through community development
- Adherence to eco-friendly practices
- Prioritise local suppliers to boost economy
- Invest in projects aligned with community needs and communicate clearly and transparently for funding and support decisions

Our response

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

Outcomes and highlights during the year

Driving impact (pages 26 to 51)

Government authorities

Their expectations

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

Our response

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

Outcomes and highlights during the year

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

Corporate governance report (pages 88 to 108)

Driving Impact - Economy (pages 45 to 50)

UPHOLD SOCIAL INCLUSION

Diversity, Equity and Inclusion ("DEI")

We adopt Diversity, Equity and Inclusion practices within our operations and strive to build an inclusive and fairer society.

The group is making meaningful progress on its DEI commitments, among which:

- Adopt gender-sensitive practices in recruitment and promotion processes.
- Adopt an Inclusive Employment Policy to include employees from vulnerable communities, living with disabilities and ex-detainees.
- Review all policies with a gender lens.
- Enhance initiatives promoting work-life balance.

Engaging our teams

We strive to make a difference for our team-members in their everyday lives, by involving them in our activities and consulting them.

Through the #myENL COVID-19 Solidarity Fund, the group offered the opportunity to vulnerable employees to embark on the poultry farming project. The aim was to enhance their families' dietary intake and to generate additional income through the sale of eggs. As of now, 75 employees have benefited from this undertaking.

Under the initiatives of ENL Foundation, a total of 250 employees participated in community endeavours, which included activities like clean-up campaigns, English tutoring, reading classes, and Donation Drive, among others.

ENL's WeVolunteer programme entails skill development for NGOs, inviting ENL employees to dedicate 12 hours over 3 months to share their expertise and competencies, to enhance the civil society's sector professionalism. Over the course of the year, 31 employees supported NGOs through this programme.

Community work through ENL Foundation

Under its Community Development pillar, ENL Foundation assisted more than 1,000 families from vulnerable communities, through activities such as:

- **The Personal Development programme.** Creative workshops empowered 115 children to openly share their views and feelings in a group setting. These workshops were designed to boost their self-esteem, self-confidence, and to enhance resocialisation skills post-pandemic.
- **Remedial classes.** Catering to 175 students from local communities, after-school catch-up classes were offered for focused help on specific challenging subjects. Remedial teachers led small groups, ensuring quality of individualised learning.
- **Health and screening activities.** 120 community members benefited from organised health screenings to sensitize and raise awareness about hygiene and facilitate health check-ups.
- **Drugs prevention and sensitisation programme.** With the support from the National Drugs Secretariat and the Youth Empowerment Programme Against Drugs initiative, families and 25 youngsters participated to awareness sessions.
- **Case Management programme.** 125 impoverished families under the Social Registry of Mauritius received personalised support to achieve well-being and self-sufficiency. This progressive journey consisted of individualised guidance for family growth and advancement and assisting them in defining both short and long-term goals.
- **Community platforms.** Comprising residents and essential stakeholders, these groups, supported by ENL Foundation, offer crucial insights into regional community development. As they evolve, they transition to officially registered Community-Based Organisations, empowering communities to independently uphold their autonomous development.

168 kgs
of goods donated by our staff during the Donation Drive 2023.

+ 360
hours of volunteering dedicated to NGOs in 2023

+ 110
projects and social initiatives implemented since inception

75
Employees benefited from the Poules Pondeuses programme

Rs 26.5m
investment in communities by ENL Foundation

+ 10,100
direct and indirect beneficiaries since inception

Ecological Impact

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

ENL acknowledges its significant role to mitigate the environmental impacts caused by its operations and achieving a seamless transition to a more ecologically balanced world. We believe that real change occurs through collective progress within our group.

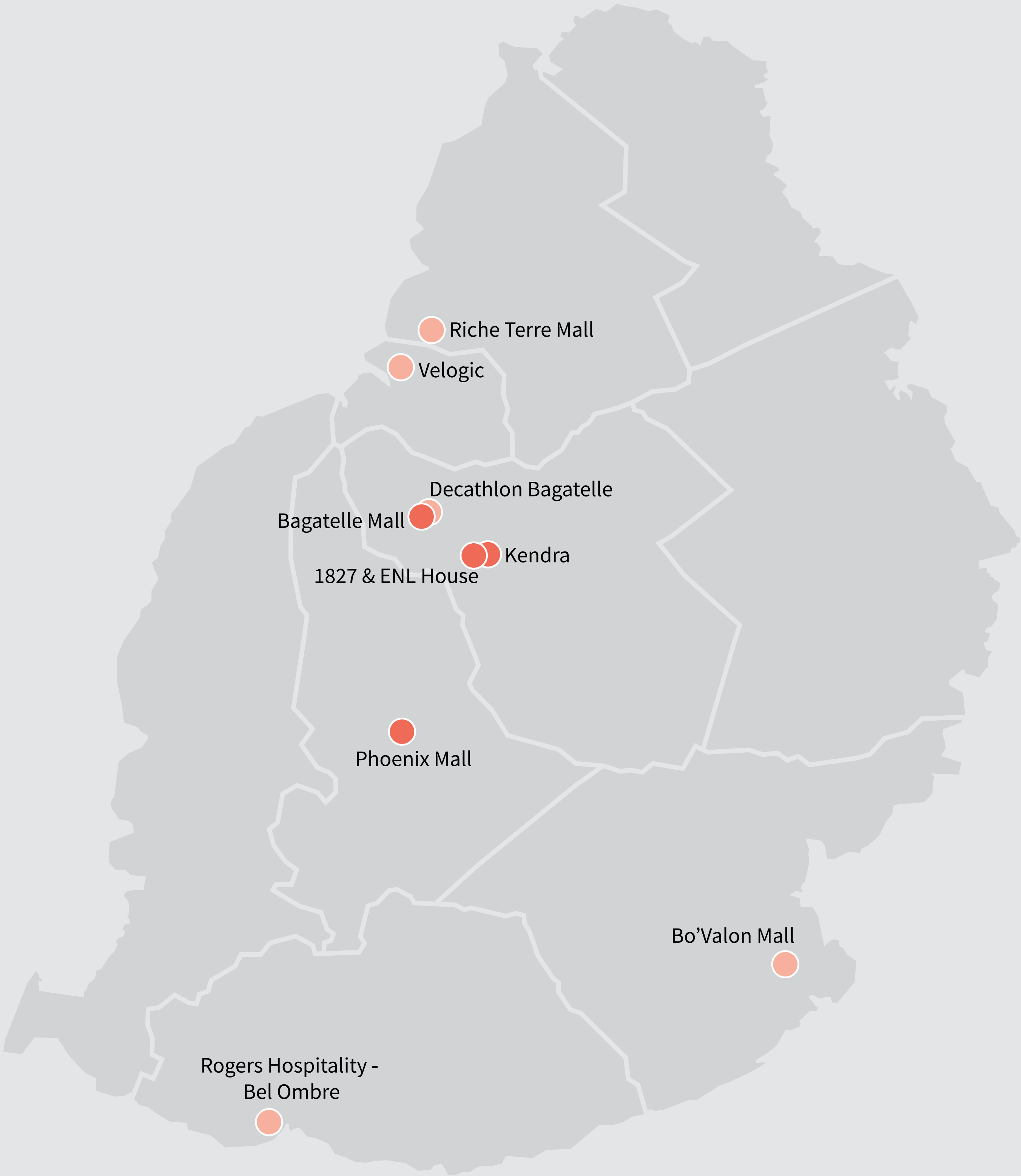
The potential impacts are extensive, covering diverse areas such as influencing climate change, achieving an energy transition, implementing waste management strategies, fostering a circular economy, preserving biodiversity and integrating ESG principles throughout our value chain.

ACHIEVE ENERGY TRANSITION

We strive for energy efficiency at all levels of our operations, switch to clean energy and promote cleaner energy practices.

ENL owns and operates roof-mounted solar farms on its malls, offices and hotels.

Photovoltaic farms in Mauritius ("PV")



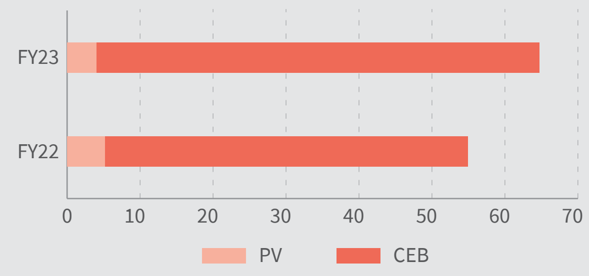
Actual PV panels installed

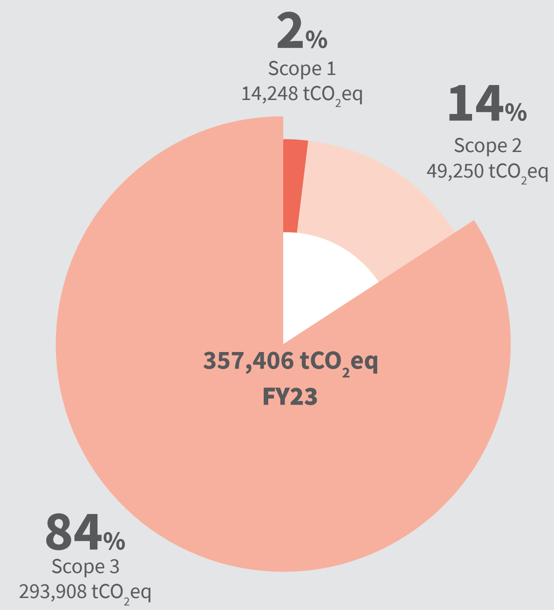
PV panels installation in the pipeline

Renewable energy

At ENL we started to decarbonize our operations by shifting towards cleaner and more renewable energy sources. Our renewable energy consumption for the financial year 2023 is 7% and we are targeting an increase of 33 points by 2026 (40% of our electricity will come from renewable sources).

Electricity consumption by sources (GWh)

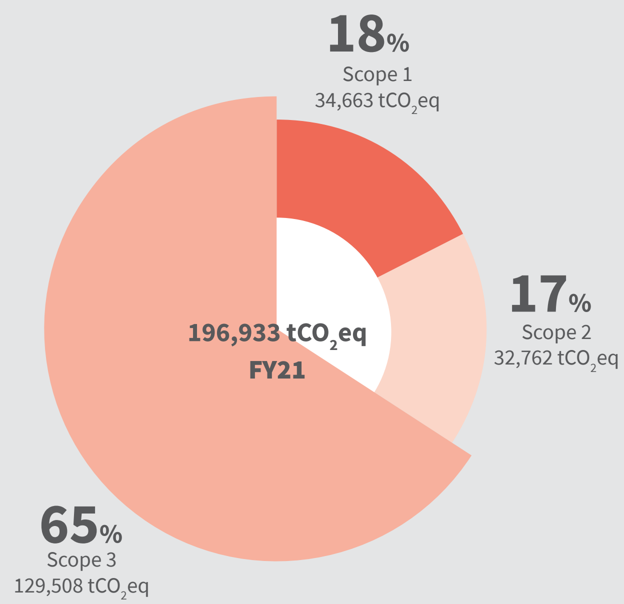




Our electricity consumption has increased by 18% compared to the year 2022, due to the surge in business activity.

Carbon footprint

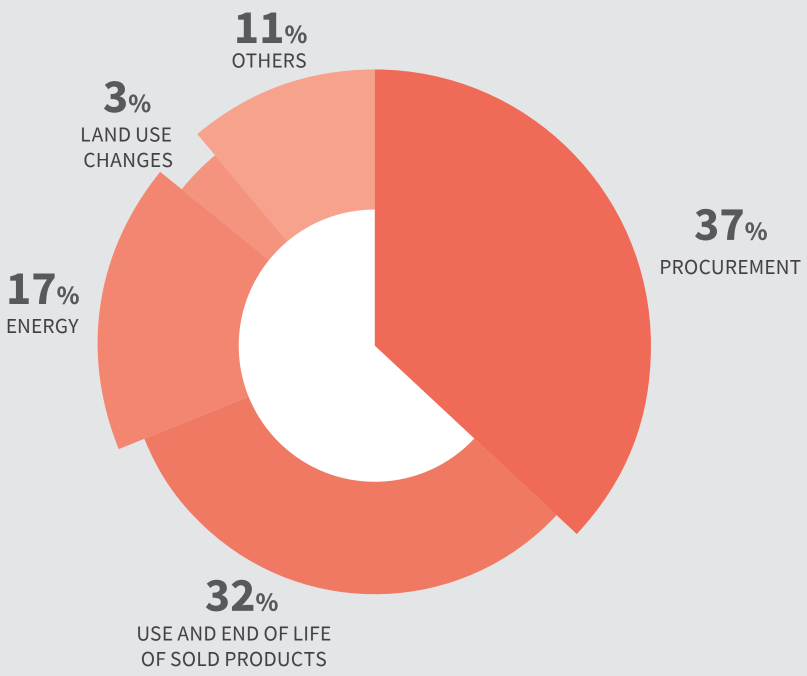
Last year, we took a significant step by disclosing our initial carbon emissions data (Scopes 1, 2 and 3), pertaining to the financial year 2021.[1] The following graph illustrates the evolution of our emissions under the three scopes from 2021 to 2023.



The group's carbon footprint has increased from 196,933 tCO_2eq in 2021 to 357,406 tCO_2eq in 2023[2], and is mainly attributed to a boost in business activity, particularly in the Hospitality and Commerce & manufacturing segments. Many of these activities slowed down or halted altogether during the year 2021, which explains the surge in 2023. The significant decrease (by 59%) in Scope 1 (fugitive emissions of refrigerant gases and agriculture and fossil fuels used in operations) is primarily due to a downward reassessment of agriculture emissions. The increase (by 50%) in Scope 2 (electricity consumption) is a direct consequence of business activity evolution. Business activity evolution also accounts for some of the rise (by 127%) in Scope 3, but the latter is mainly attributed to a reassessment of emissions related to the use of products sold. These figures cover the ENL group gross emissions, and do not consider avoided emissions or credit purchases.

1 An external service provider was appointed for the audit of Scopes 1, 2, and 3, using the Bilan Carbone methodology.
2 These calculations were made using the Carborne Assessment Methodology (trademark), owned by ADEME, with the following sources:
- ADEME's footprint database (including the carbon footprint), UNFCC, and EEMO.
- Agrybalise Database (included in the Carbon Database).
- INIES Database for construction data.
- WillChange Database (average values and specific financial ratios for the context or in Mauritius).
- Uncertainty calculation method is based on the IPCC Carbon Assessment methodology and recommendations.

Main emissions contributors (%)



The above graph details the group' emissions and their origins. It shows that 37% of our emissions reside in our procurement practices, to which we conclude that it is crucial for ENL companies to engage with their supply chain to improve our carbon footprint. In a similar fashion, as 32% of our emissions derive from the utilisation and discarding of our sold products, it is essential to initiate virtuous discussions with our customer bases to optimise the said utilisation and find alternative to landfill.

17.14 tCO_2eq

per Rs'm revenue in 2023[3]
(2021: 15.34 per Rs'm revenue)

We will continue to manage our climate change risks and align with the transition to a low-carbon economy, using the SBTi reference. Our targets for the three scopes will be published by end 2023, within ENL's Sustainability Roadmap 2030.

47,875

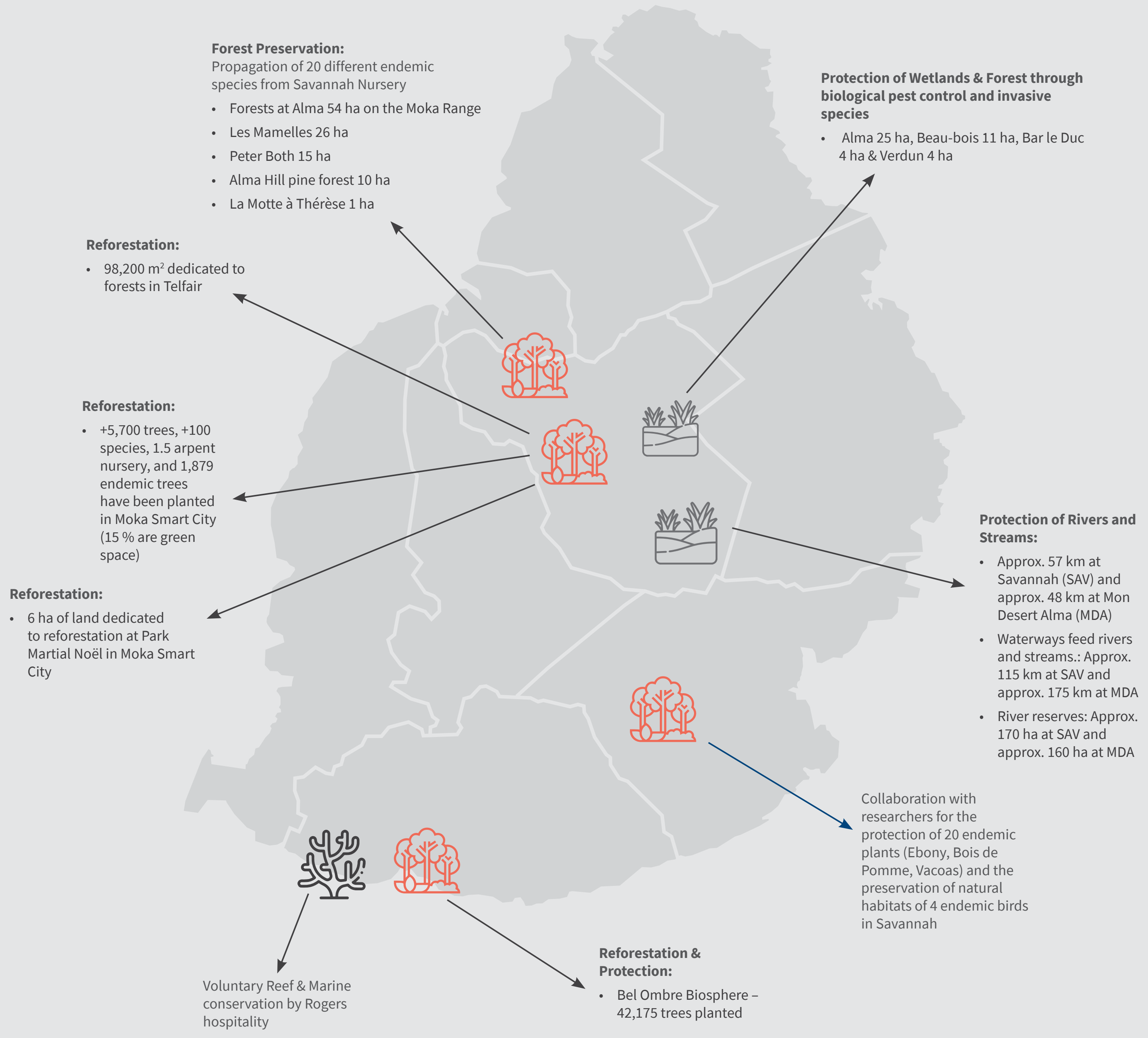
Number of trees planted (including endemic)

188,542m²

Surface area reforested or afforested

3 While ENL companies have included in their Scope 3 all emissions related to their visitors, Rogers group subsidiaries have opted for excluding this data (maritime/air freight emissions, mall visitors and hospitality guests). A GHG limitation report is included in Rogers and Company Limited's Integrated Report 2023, which details these considerations.

Below is a map of the areas that have been identified to be protected and preserved:



- Project on Restoration and Conservation of Marine and Reef Eco-system
- Project on Protection, preservation and reforestation of Forests
- Project on Protection of Wetlands and Rivers

Water stewardship and effluents

As we strive for equitable water resource management, we diligently assess our water consumption and strive for optimal utilisation in our operations. Within our different sectors, water-efficient farming practices, such as hydroponics, water recycling and rainwater harvesting have been implemented. These adaptations could pave the way for more sustainable and resource-efficient systems, helping to mitigate the impact of the looming water deficit.

Major achievements:

- Moka Smart City - 100% of the water used by residents is now recycled.
- A retention pond of 2,000m³ was created at Telfair, and a sewage treatment plant was installed to provide non-potable water for irrigation.
- Ascencia installed a waste-water treatment at Bo'Valon Mall.

673,508 m³
Water consumption

Amount of wastewater recycled on-site
175,813 m³
(26% of total water consumption)

ENVIRONMENTAL CERTIFICATIONS AND ACCOLADES

Certifications:	Accolades:
• Bonsucro certification for Savannah Sugar Estate' plantation • ISO 14001 at Velogic • BRCGS Global Standard Food Safety at SUKPAK • 4 new Ecocert-labeled bio-products in Agrex's portfolio • All new buildings developed by Oficea are certified LEED BD+C • 6 hotels had their Green Key certification renewed	In March 2023, ENL Limited participated in the first Ideathon organised by PwC Mauritius, in a multisectoral team (academia, NGO, private sector and government) and won the competition with a Solid Waste management project. Rogers Hospitality's sustainability programmes have received a considerable number of accolades during the year under review, among which: • Global Tourism Plastic Initiative • Small Luxury Hotels ("SLH") – Considerate Collection • Sustainable Tourism Excellence Awards 2023 – Rogers Hospitality, Croisières Australes (Silver Distinction), Heritage Awali, Le Chamarel Restaurant and Bel Ombre Nature Reserve (Bronze Distinctions) • Sustainable Tourism Mauritius Awards 2022: Bel Ombre Nature Reserve (Gold), Veranda Tamarin and Croisières Australes (Silver Distinction) and Heritage Le Telfair (Bronze)

Economic Impact

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

CHAMPION A CONSCIOUS VALUE CHAIN

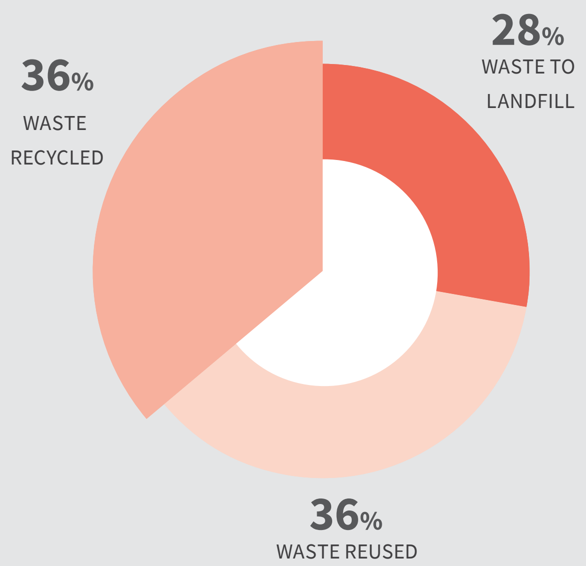
ENL places a strong emphasis on establishing a responsible value chain. This inclusive approach involves suppliers, business partners, and customers, uniting them in the pursuit of positive change. Within the framework of the conscious value chain, we will ensure circular economy, optimal resource management, waste reduction, and responsible sourcing strategies.

Responsible sourcing and traceability

We are committed to aligning our business ethics and sustainability values with those of our business partners, through the implementation of a Responsible Sourcing Policy, whose aim is to assess and engage with our suppliers on sustainability topics. The document will be rolled-out by end of the next financial year.

Circular economy and waste management

Our commitment involves mapping out all our waste and also enhancing our ability to track waste across all our operational units.



This pie chart illustrates the distribution of waste categories at ENL. We now have a comprehensive understanding of our waste generation and we have nearly reached our group's landfill diversion target of 75%, diverting 9,940 tonnes of waste (72 % of total waste).

Key waste management initiatives:

- Rogers Hospitality eliminated 20 out of 25 types of single-use plastics.
- Bagatelle Mall launched a pilot Biogas Farm.
- ENL Property projects effectively repurpose substantial construction waste (representing around 36% of total waste of ENL group) in building foundations, aligning with our operational practices.

Our waste impact extends beyond operational units to local communities. For example, in Moka Smart City:

- 6,560 tonnes of waste were diverted from landfill this year, via the moloks, and five new sets of moloks were added in l'Avenir, Courchamps, Helvétia, Vivéa and Telfair during the year, expanding Moka's recyclable materials to 12 categories.
- The Restore – Moka Corner collected 23 kgs of batteries and 34 kgs of waste electrical and electronic equipment during the year.
- Biobins produced compost for the first full year, utilising organic waste from ENL House canteen, local restaurants, and landscaping activities.

Moka Smart City now offers compost made entirely from the city's green waste, available for purchase at the ReStore's Moka Corner and at Symfolia.

SUSTAIN A HARMONIOUS MAURITIAN LIFESTYLE

As a major economic operator on the island, ENL values the civil society efforts to create a healthier and vibrant society which protects its heritage and encourages understanding and harmony between its components. The group contributes to these efforts financially and in collaboration with its stakeholders.

Moka continues to invest in the promotion of a model lifestyle in its catchment area, with numerous projects implemented for and with its community, including:

- Installation of 4 public filtered water fountains around Moka region, to reduce plastic bottles usage;
- The Moka Street Food Festival and 6 editions of the Moka Cinéma en plein air;
- Moka Moments such as the Sunrise Jog, Moonrise watch and Star Gazing;
- Commute, carpooling app, was used by over 3,000 people;
- 10 kms of foot path and cycling tracks in Moka as at date; and
- ReStore - Moka Corner opened in October 2022 which promotes sustainable and local products.

Grewals partnered with The Good Shop workshop and supplies it with timber for the training of youngsters living with a handicap. It also donated iron sheet pieces to the Tranquebar community for social housing.

Embellishment of public spaces

Agrïa cleans and maintains public green spaces in the Bel Ombre region through landscaping, and Grewals and Axess do same near the Pailles Motorway M1. In addition, Grewals sponsors two bus shelters in Rose Hill.

Rogers Hospitality carried out "Kouler Moris", a project aimed at embellishing the area leading to Tamarin public beach, in collaboration with the Rogers Foundation.

The Moka Open-Air Cinema strives to enhance the city's vibrancy and expand the array of leisure activities available within Moka Smart City.

Sports and wellness

- 2022 marked the tenth edition of the Moka Trail, and of the first Moka Decathlon Night Run, which gathered 3,300 participants in total.
- Decathlon continued to engage its visitors in the discovery and practice of a variety of disciplines, including in partnership with ENL Foundation.
- In Moka, the Telfair amphitheatre has become an iconic meeting place for weekly sports and wellness activities such as zumba, yoga, body attack, organised by Moka'mwad with partners, which gather an average of 60 participants per session.
- Agrïa sponsors the Bel Ombre Rugby and football teams and has supported the "Linkology" creativity project for Savanne Scout Group in 2023. In the same area, Rogers Hospitality set up a boxing school in 2023.
- Ascencia Malls promoted the practice of sports and healthy living through free demonstrations and initiations.
- ENL Limited sponsored Rs 3.1 million in sports activities such as the Moka Rangers Sports Club and the Indian Ocean Youth Games.

+4,000

attended the music festival "Fet Lamizik dan Moka" on 21 June 2023

Arts and Culture

ENL sponsored the first edition of "Rezidan", a cultural and artistic project in Moka Smart City, offering artistic residencies for both established and emerging talents, including in the performing arts sector.

Rezidan Season 1 in numbers:

- **3** residency programmes
- **9** artists-in-residence
- **3** art studios
- **8** murals within Moka Smart City
- **2** art exhibitions
- **4** art talks
- **4** art workshops
- **1** university project

ECONOMIC EMPOWERMENT

ENL Foundation

ENL Foundation also ran programmes to support economic empowerment and entrepreneurship:

- The **Marine Technical School** welcomed 15 disadvantaged youths from Black River, providing them with both soft skills and technical training.
- In L'Escalier, it supported various initiatives, including:
  - **Saveurs Typiques** microbusiness project, benefiting 7 women and 20 unemployed individuals;
  - **La Ferme Nou Leritaz**, a sustainable agriculture and crop production project, offering part-time employment and addressing food insecurity.
- Empowering women, the **Bazart Kreasion** and **Mokaray** projects enabled 20 women to earn income by selling upcycled products and operating a "restaurant solidaire" respectively.
- The **Microbusiness/Entrepreneurship programme**, initiated as part of the "Leave No One Behind" effort in 2020, aided 88 vulnerable individuals across five regions in establishing micro-enterprises and generating income.
- The **domestic backyard farming project** supported 77 families, aiming to enhance their income through activities like poultry and cattle farming, fostering self-sufficiency.
- Oficea established an expo-vente space at **La Place de Gros Bois**, showcasing products from ENL Foundation-backed projects, Bazart Kreasion and La Ferme Nou Leritaz.

Turbine powers Inspiring Talks with experienced entrepreneurs.

Participants to the Marine Technical School.

Entrepreneurship

TURBINE

As a key economic player in Mauritius, ENL has nurtured an innovative ecosystem and enabled entrepreneurship through its Government-accredited incubator and start-up accelerator, Turbine. Created in 2016 with the aim of empowering visionaries who dare to innovate for a sustainable impact, it proposes three programmes to start-ups:

1. **Test drive** from idea to prototype
2. **Incubation** from prototype to first customers
3. **Acceleration** from first customers to growth

As at date:

+100
projects supported

34
active start-ups

+50
jobs created

Technology & Operational Excellence

The TOPEX team stands as the champions of the group's strategic focus area Operational excellence, soon to be Operational efficiency under CAP26. It leads the way in our digitalisation initiatives, fostering process refinement and continuous enhancement, and cultivating a digital mindset.

"Develop better, faster, cheaper & stable operations through technology & continuous innovation to stimulate sustainable growth"
– Purpose defined under CAP23

Operational Excellence

During CAP23, ENL companies have established the groundwork for a culture of sustainable continuous improvement. We have embraced the LEAN methodology to enhance process performance, and we have employed the Qualigram documentation approach to ensure uniformity in communication and thorough mapping of key processes. Our latest process improvement achievements include:

- Review of the Enterprise Resource Planning and identification of improvement opportunities;
- Mutual adoption of a secure solution for Internal Validation of documents;
- Digitalisation of processes using Microsoft Business Process Management solutions and business intelligence dashboards for data-driven decision-making
- Curation and nurturing of a repository of 450 process maps

Committed to uncovering better ways, we will continue to enhance processes to unveil latent efficiencies: Empowering operational teams across the group to drive progress, navigate challenges, competition, and setting new efficiency standards.

Nabridas
received Kaizen Achievements at African Kaizen Award

Support and infrastructure

At ENL, our multidisciplinary I&T team has spent the past year pushing the envelope of innovation and efficiency. We centralised and standardised IT services across some subsidiaries through a state-of-the-art Datacentre, marking a key milestone in operational excellence. Our achievements during the year:

- Maintained our systems and services to be highly available, thus becoming the reliable backbone that keeps ENL running smoothly.
- Optimised the digital workspace to ensure seamless transitions between remote and in-office work. This led to a significant improvement in workflow and greater employee satisfaction.
- Maintained our services uptime at more than 99.5%.
- Enhanced our Disaster Recovery Solutions, cutting our Recovery Time Objectives and Recovery Point Objectives to suit each of our company's business continuity requirements.

Stability, availability and security are key to IT Services delivery and are monitored on daily basis using pre-defined metrics.

End User to IT Service Desk Ratio

150:1
Gartner: 70:1

Service uptime

99.5%
Microsoft Online Platform: 99.9%

Our focus will pivot towards automation and achieving higher levels of service excellence. Exploring AI and automation solutions to optimise existing valuable human resources for more strategic, complex tasks. By enhancing our service delivery, we aim to further align IT services with ENL's business objectives.

The continuous innovation laboratory

ENL's business leaders and teams have been consistently engaged in innovation workshops, fostering continuous creativity. These innovations span artificial intelligence, machine learning, automation, Internet of Things, and data analytics, leading to enhanced efficiency, cost-effectiveness, and operational excellence. During the year, initiatives include:

- Implementation of a secure and stable Digital Workplace environment;
- Enhanced processes through digital integration such as paperless initiatives and sharing platforms;
- Rolled out the TechWatch initiative, a comprehensive exploration of both existing and emerging technologies within each industry; and
- Charted out Digital Roadmaps, designed to provide guidance to companies up until 2026.

ENL remains committed to harnessing the full potential of emerging technologies and digital solutions. We will continue to invest in research and development, and infrastructure to ensure that we remain at the forefront of innovation and maintain our competitive edge.

CAP26 Talks were held throughout the year to inspire leaders when designing their CAP26 strategic plans.

How Will We Succeed on Our Sustainability Roadmap?

By building a sustainability culture

To enhance awareness about climate change, 14 sustainability managers and champions were trained and certified as animators of *La Fresque du Climat*, with the ambition to sensitise all colleagues to this issue by 2030. Currently, over 180 team members have participated in *La Fresque du Climat* or a *Fresque du Numérique*.

Beyond this initiative, many of our companies conducted awareness campaigns and training sessions for their employees during the year under review. These sessions were designed to educate employees and provide practical guidance on reducing energy and water consumption, as well as minimising waste emissions.

By joining sustainability networks and obtaining accolades

We believe that the journey to a greener and more inclusive planet cannot be undertaken in isolation. We are committed to involve our ecosystem, share good practices, learn from others and continuously advocate to make a difference for a better business. We are thus active participants to the Signe Natir framework (ENL group and Rogers group), the SEMSI (ENL, Rogers and Ascencia) and the UN Global Compact (ENL group and Rogers group).

14
employees are certified animators of the Fresque du Climat

180
employees participated to La Fresque du Climat/Numérique

Sensitising employees on their digital impacts through the Fresque du Numérique.

We grow our customer base and nurture customer loyalty by leveraging data analytics to deliver personalised experiences at every touchpoint.

Group Review

Performance

The group continued its growth trajectory for the year ended 30 June 2023, with enhanced results compared to last year. Revenue increased by 18% to reach Rs 20.9 billion, and operating profit went up by 48.7% to get to Rs 3.5 billion. This strong performance was driven by the positive contribution of all operating segments, and notably of Hospitality and Commerce & manufacturing. These results were achieved in spite of higher finance costs of Rs 487m following the increase by 225 basis points of the key rate since 30 June 2022. All the operating segments performed well and contributed to this improved performance.

The group's associated companies sustained their robust performance, making a significant contribution to our overall profitability. Their share of profit reached Rs 1.6 billion, compared to Rs 554 million last year. This contributed to profit after tax of Rs 3 billion.

Most of the land assets and investment portfolios of the group are included under the **Land & investment** segment. The latter uses this asset base to raise funds through structured debt to finance the development of the group. The segment houses a renewable energy business which the group has launched lately, in line with its commitments towards sustainable practices; the aim is to grow this business to operate as a separate segment. The loss incurred by this segment is mainly due to the costs incurred for managing the group, maintaining and safeguarding the assets and the significant portion of the finance costs borne by the segment. This year, finance costs amounted to Rs 388 million, an increase compared to Rs 271 million last year, mostly explained by additional debt of Rs 900 million, and the rise in interest rates.

Agribusiness posted increased profits despite the low sugar tonnage achieved for the 2022 crop. The good results stem from a much higher sugar price and increased profitability of the farming activities. Associated company, Eclosia, also recorded an improved performance and thus contributed to the increased profitability. The favourable environment prevailing in the sugar sector has led the group to accelerate its cane replantation programme; this should result in higher yields and increased profitability for the sector.

Real estate, which comprises property development, rental of offices and shopping malls, continued to post strong results with a profit after tax of Rs 1.1 billion despite delays in securing the relevant permits to finalise the sale of a significant number of land plots which would have boosted performance further. Those permits we were expecting during the year have been obtained and will result in these sales being realised in the financial year 2024. Despite the delays, property development has progressed on its various developments in Moka and Savannah. The office spaces owned by Oficea are nearly fully let and this bodes well for the upcoming opening of the office buildings in Telfair which covers an area of 20,000 m². Ascencia continued its good performance and posted solid results on the back of a better tenant mix and strong consumer spending.

Commerce & manufacturing had a commendable year with revenue and profit after tax up by 32% and 80% respectively. This performance was driven mainly by Axess and Ensport which operates the Decathlon franchise. Axess benefited from the continued buoyancy of the new vehicle market, which registered the highest number of vehicles sold in a year, and an increased market share due to a better supply of vehicles.

Ensport profited from strong consumer spending and a more exhaustive range of products to improve its results. The other companies within the segment performed satisfactorily except Plastinax which suffered from a temporary shortfall in orders.

Mauritius is almost back to pre-COVID level with regards to tourist arrivals and the recovery of the market has been beneficial to the **Hospitality** segment, which operates as Rogers Hospitality. This segment saw revenue increase by 74% to reach Rs5.1 billion with profit after tax reaching Rs1.4 billion. This strong performance was driven by the higher tourist arrivals together with higher guest night spending and the depreciation of the Mauritian Rupee. Segment results were further boosted by the commendable results achieved by associated company, New Mauritius Hotels, which recorded significant profits for the year, both from its local and overseas operations.

Rs **4.55**
EARNINGS PER SHARE
2022: Rs 2.20

Rs **1.00**
DIVIDEND PER SHARE
2022: Rs 0.80

5.13 %
DIVIDEND YIELD
2022: 2.96%

Logistics, whose operations are conducted by Velogic, recorded a small decrease in revenue resulting from lower freight rates but overall the segment continued to perform well with profit after tax increasing by 33% to reach Rs273 million. The performance was driven by the haulage and transport business, both locally and overseas where the group expanded its operations by the acquisition of another business in Kenya during the year. The share of foreign operations, where the growth potential is high, is increasing steadily and now makes up around 50% of Velogic's activities. This will lessen the dependence on the local market where the scope for further expansion is limited.

Rogers Capital had a mixed year. Its results were affected by a significant increase in provisions related to the consumer credit business. Whilst Fin**ance & technology seg**ment revenue increased by 14%, profit after tax decreased from Rs 260 million to Rs 108 million, mainly on account of additional provision. The associated company, Swan General, performed as expected and contributed significantly to profits.

Remuneration of shareholders

ENL strives to build lasting relationships founded on trust, transparency and shared value creation. To this effect, we employ a balanced approach by aligning our dividend stream with growth strategies and operational needs. During the year:

- Profit attributable to shareholders rose to Rs 1.7 billion, up from Rs 841 million last year.
- A total dividend per share of Rs **1.00** was paid out, totalling Rs **375** million, representing a dividend yield of **5.13%** and 25% more than the previous year.

Financial position

Total assets went up from Rs 82.8 billion to Rs 91.3 billion and total equity reached Rs 49.6 billion, up from Rs 43.6 billion. Considerable funds were invested across multiple projects throughout the year, such as:

- the continued extension of *Bagatelle Mall*, enriching offerings to shoppers and revenue potential;
- the completion of *Phoenix Mall* metro station, improving connectivity and boosting footfall;
- the construction of mixed-use buildings at *Telfair*, increasing our portfolio offerings, and
- the development of Bel Ombre's second golf. La Reserve Golf Links as well as the upgrading of Veranda Grand Baie into a four stars hotel.

Some of the group's developments are funded through ploughing back of our funds, whilst some through debt. The group's debt level remains reasonable, with a gearing ratio of 33.7% as at 30 June 2023. We prioritise self-sustained funding for each business to fuel growth and contain risks within specific entities.

Outlook

The results for the first quarter of FY24 have been in line with targets. In spite of the current high interest environment, all the segments have performed as planned. Forecasts for the rest of the year are promising.

Rs **20.9** bn
REVENUE
2022: Rs 17.7 bn

Rs **3.5** bn
OPERATING PROFIT
2022: Rs 2.3 bn

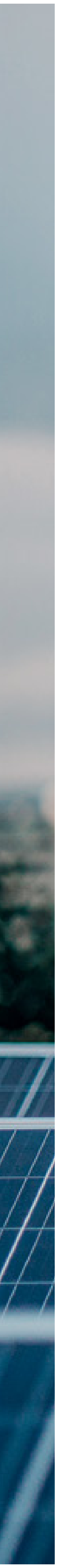
Rs **3** bn
PROFIT AFTER TAX
2022: Rs 1.6 bn

Rs **91.3** bn
TOTAL ASSETS
2022: Rs 82.8 bn

Rs **49.6** bn
TOTAL EQUITY
2022: Rs 43.6 bn

Rs **85.39**
NET ASSET VALUE PER SHARE
2022: Rs 76.30

33.7 %
GEARING
2022: 36.3%



Land & Investment

The Land & investment segment is the backbone of the group, driving its expansion through the following activities:

- **Land and asset management.** Owner of the group's land assets as well as most of its investment portfolio. It aims at funding the development of other segments through land sales and structured debt.
- **Startups.** Fosters innovation and empowers entrepreneurship through: Compass, a corporate venture fund, and Turbine, a startup incubator and accelerator.
- **Energy solutions.** Encompasses Ecoasis, an energy solutions provider, and EnVolt, the owner of photovoltaic farms.

Operating context

This past year presented challenges due to the impact of high interest rates on our cost of debt. In the startup sphere, we have witnessed an evolution in the entrepreneurial mindset, driven by emerging technologies and a supportive ecosystem cultivated by both public and private sectors. Simultaneously, the renewable energy sector is flourishing, sustained by government backing and a heightened awareness of sustainability, with businesses playing a growing role in driving this positive change.

Performance

The segment recorded a loss after tax of Rs 333 million, after incurring finance costs amounting to Rs 388 million (2022: Rs 271 million). The increase in finance costs is attributable to an additional debt of Rs 900 million and rising interest rates.

During the year under review, Turbine continued to focus its efforts on being self-sustainable with an array of partnerships through B2B programmes, sponsorships, and funding initiatives. As at 30 June 2023, Compass' portfolio demonstrated significant growth, with a valuation of Rs 413 million, a substantial improvement from the Rs 297 million valuation the previous year. This growth is mainly driven by the strong performance of investments in four startups. Compass is actively consolidating its holdings in its highest-performing startups and developing exit strategies.

While the Energy cluster is currently included within this segment, the aim is to eventually present it as a separate segment when it reaches sufficient scale. During the year, Ecoasis successfully installed Bagatelle Mall's HVAC system and secured several upcoming projects. EnVolt generated higher revenues during the year, however these were impacted by rising interest rates.

Strategy review

CAP23 achievements	CAP26 ambitions
• Dividend payout surpassed pre-COVID levels at Rs 1.00 per Ordinary A share • Accompanied the group entities with their strategies – CAP26 devised - and long-term growth • Turbine strengthened position as an innovation enabler with traction in the Mauritian startup and innovation ecosystem • Footing in the energy sector with the acquisition of a majority stake in Ecoasis and increasing number of solar farms for EnVolt	• Continue to drive the group strategy • Optimise use of land assets • Turbine: Become the go-to incubator for start-ups bringing a positive impact, and diversify sources of income • Energy solutions to gain in size, enabled by some Rs 700 million investment in photovoltaïc farms

Link to risks

Top group risks (pages 74 to 75)

Rs 103m
REVENUE
2022: Rs 116 m

Rs 333m
LOSS AFTER TAX
2022: Rs 305 m

Agribusiness

ENL, a key player in the Mauritian sugar cane industry with 5,000 hectares under management, expanded its range of operations to encompass the following activities:

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

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

Operating context

The Mauritian sugar industry is currently benefitting from an exceptionally favourable context. Global sugar prices are on the rise, driven by elevated demand outpacing global production. Sugar production in Europe was affected by unfavourable climatic conditions and a significant increase in the cost of energy resulting from the Russia-Ukraine conflict.

Performance

Cane

The favourable context resulted in an increase in revenue per tonne of sugar, rising from Rs 21,955 to Rs 30,892. However, cane tonnage decreased from 239,800 to 177,910 tonnes due to weather challenges during growth season. This resulted in 14,045 tonnes of sugar accruing compared to 18,242 tonnes in the prior year. The performance of this segment was also impacted by significant increases in operational costs, including raw materials, fuel, and labour expenses, and a one-off payment of Rs 98 million made in relation to Agrïa's Employee Retirement Scheme.

Our ongoing replantation programme, showcasing our commitment to capitalise on the positive operating environment, resulted in the replantation of 397 hectares during the year in the regions of Savannah and Mon Desert Alma.

Non-cane

Our non-cane activities did well, with improved prices in our farming sub-segment and good performance for potato production. Our associate Eclosia contributed Rs 262 million to the results of the group compared to Rs 126 million the previous year.

Strategy review

CAP23 achievements	CAP26 ambitions

• Results for the segment in line with CAP23, with better revenue per tonne of sugar mitigating the lower sugar cane harvested and rising production costs
• Commercial nursery launched at Helvétia
• Better selling prices obtained for farming activities
	• Renewed dynamism for ENL Agri
	  • Invest in cane replantation (425 Ha / year)
	  • Enhance mechanisation and irrigation
	  • Continue to expand non-cane businesses
	  • Launch of significant tea growing activity in highly humid zone
	• Agrïa: Strengthen Bel Ombre as the sustainable destination
	  • Restore operational profitability
	  • Undertake more land development activities
	• Growing contribution from Eclosia

Link to risks

Top group risks (pages 74 to 75)

Ⓖ Rise in operational costs, due to exogenous factors, and effects of climate change

Rs 1.1bn

REVENUE
2022: Rs 968 m

Rs 167m

PROFIT AFTER TAX
2022: Rs 75 m

Real Estate

Our activities in the real estate segment include the following:

- **Property development** – Mixed use property development in the regions of Moka, Savannah and Bel Ombre;
- **Offices** – Oficea, a property fund that specialises in office space development and management; and Workshop17, an operator of flexible and fully serviced workspaces
- **Malls** – Ascencia, a retail asset fund specialising in the development and management of shopping malls through the property and asset manager, Enatt
- **Syndic Management** - Key component within our real estate value chain, Sygeco, provides property management and administrative services of co-owned or condominium properties

Link to risks

Top group risks (pages 74 to 75)

J Sustained rise in construction costs and threat of decline in local consumption affecting cash generation

Rs 3.3 bn

REVENUE
2022: Rs 4 bn

Rs 1.1 bn

PROFIT AFTERTAX
2022: Rs 821 m

Property development

Operating context

There are currently several initiatives in place to boost sales, including tax incentives for both developers and buyers, that offer continuous support to the property sector. Although, the industry is facing challenges across board, with rising infrastructure and development costs, the vulnerability of the construction sector, and the diminishing purchasing power of buyers due to high-interest rates. The recent years have also seen Smart Cities becoming increasingly prevalent in the market, with new developments gaining momentum, and leading to a rise in competition.

Performance

Moka

Moka sustained territorial attractiveness with robust demand for both land and built-up units. Though, the challenge of obtaining permits continues to have an impact on our sales programme. Development and constructions costs have also soared exerting pressure on our margins.

To improve Moka's connectivity, significant public infrastructure projects have been initiated in partnership with the authorities, including the construction of a new interchange and bypass around Verdun, as well as three metro stations in Telfair, Helvétia, and Saint Pierre.

Setting new lifestyle standards in Mauritius, the team maintained its focus on making Moka a vibrant city:

- Launch of Moka "Ville de Culture" through Rezidan, a cultural and artistic project;
- Extensive Moka'mwad initiatives in collaboration with local authorities;
- A thriving sports and activities agenda, such as Moka Trail, Moka Decathlon Night Run, Moka Tennis Open, Moka Moonrise, Moka Rangers competitions, and Moka Sunrise jogs.

Moka is set to be an integrated living place that creates long term value through the:

- Implementation of IoT sensors and networks for waste, meteorological data, and utilities management;
- Installation of a unique fibre redundancy system; and
- Set up of multiple digital interfaces for customers such as plan approval and urban furniture maintenance.

DURING CAP23

116

apartments and duplexes sold in Telfair, L'Avenir and Helvétia

Savannah

Savannah Connected Countryside has generated significant interest and demand for land plots. The delivery of fully sold out Les Jardins is scheduled for the financial year 2024. Additionally, a new phase of freehold plots called Les Sentiers will soon be introduced under the Smart City Scheme.

Efforts to enhance amenities in the Smart Village have crystalised:

- Savannah International Primary School continues to grow with yearly intakes;
- La Place du Village has become the central gathering point for residents, hosting numerous activities; and
- The coworking space, in partnership with Workshop17, was launched in September 2023.

Bel Ombre

During the year, teams continued to execute turnaround strategies for Bel Ombre, harnessing synergies with Rogers Hospitality, with an aim to improve financial performance over the next strategic plan.

Offices

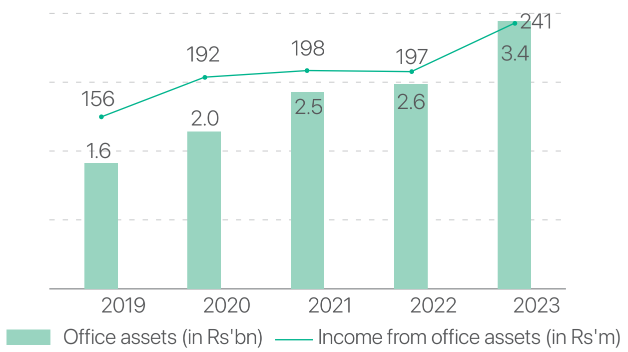
Operating context

The market is evolving with the standardisation of fitout and *Workspitality* services, accompanied by the growth of coworking space providers. Despite the heightened competition, in general and specifically in the Moka region, demand for our portfolio remains robust. However, rising construction costs and higher interest rates are affecting yields, and the construction sector necessitates vigilant monitoring so that property development can maintain its pace.

Performance

Oficea's portfolio is thriving, with most tenants choosing to renew their contracts at market rates, reflecting their high satisfaction. Les Fascines, the latest addition to the portfolio, along with its coworking space in collaboration with Workshop17, is outperforming expectations. The implementation of the Workspitality concept, including leisure activities, concierge services, a gym, among others, has enhanced our offerings. Furthermore, successful digitalisation and sustainability efforts have contributed to the overall portfolio's success, all while maintaining an overall occupancy rate exceeding 95%.

During the year, the mixed-use development of 20,000m² at Telfair continued and is on track for completion in December 2023. Both retail and office spaces have been well received by the market, with preliminary lease agreements being signed.



Malls

Operating context

We remain cautious about potential issues stemming from high inflation and possible declines in consumer spending. Despite supply chain disruptions causing delays in shop openings and stock availability, the situation improved in the final quarter.

Performance

Ascencia had a successful year despite the challenging inflationary environment. Footfall increased by 11.3%, and average trading density rose by 14.5% to Rs 11,690. Projects like the Phoenix Mall metro station and Bagatelle Mall's extension contributed to this enhanced performance. The rent to revenue ratio decreased from 7.6% to 7.4%. Strategic decisions regarding the tenant mix resulted in a lower EPRA vacancy rate of 2.9%, down from 4.3% the previous year, and 16,080m² of letting space were renewed at a 4.0% rent reversion. Ascencia continues to attract premium brands like Conforama, a global home furniture leader, that recently opened its doors at Bagatelle Mall.

As a result, total revenue and net operational income increased by 12.0% and 11.3%, respectively. However, there was a decrease in profit after tax, primarily due to higher finance costs resulting from rising interest rates over the last year.

TRADING DENSITY:

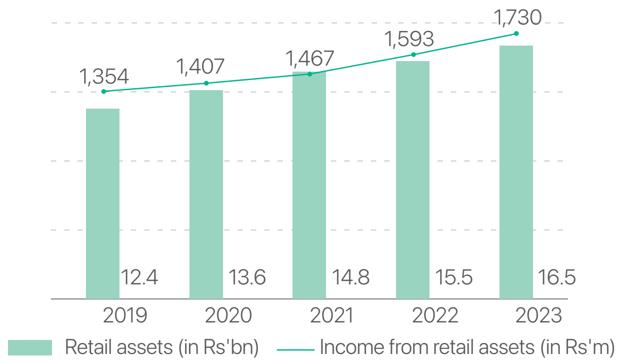
Rs 11,690 per m²

2022: Rs 10,655 per m²

NET OPERATIONAL INCOME:

Rs 1.2 bn

2022: Rs 1.1 bn



Strategy review

CAP23 achievements	CAP26 ambitions
• Strong demand and good sales level • Continued development of Moka City • Launch of Savannah Connected Countryside • Oficea's portfolio performing well • Telfair mixed use development to be tenanted as from December 2023 • Workshop17 & Workspitality services launched • Malls maintained strong performance despite COVID-19 • 42 Market Street opened doors • Phoenix metro station started operating • Listing of Ascencia on SEM & SEMSI index • Malls onboarded new international brands	• Consolidate property development leadership position locally • Strong sales momentum expected • Materialise infrastructure projects (connectivity, schools, sports) • Create a living and vibrant city centre in Telfair • Complete the sales of Les Villas de Bel ombre • Significantly grow Oficea's portfolio • Target international clients for offices • Accelerate flexible and workspitality offerings • Expand Oficea's portfolio to 75,000m² worth Rs 72 billion • Consolidate foothold on the malls market • Enhance customer experience through improvements to existing malls • Develop internationally through partnerships: Enatt to invest with Atterbury in the development of the Mall of Limassol in Cyprus

Commerce & manufacturing

The segment provides a range of products and services sourced both locally and from a network of trusted global suppliers. Our activities comprise the following companies:

- *Automotive* with Axess
- *Building materials* through Grewals, Nabridas and JMD
- *Eyewear* manufacturing through Plastinax
- *Commerce* with Ensport, operator of Decathlon Mauritius and Suntricity, distributor of Huawei photovoltaic equipment to the B2B market
- *IT goods and services* to the B2B market through associates FRCI and Superdist

Operating context

The market continued to experience a sustained buoyancy in consumer spending, allowing for the new vehicles market to grow despite some supply chain disruptions, and benefitting the trading companies. Profitability remains under pressure of increasing interest rates and costs attributable to foreign exchange fluctuations.

Performance

Commerce & manufacturing contributed positively to the group results with most companies being profitable. Profit after tax increased by 80% to Rs 433 million with Axess and Ensport being the key drivers of this segment.

Automotive. Despite supply chain challenges, most brands delivered commendable results, and in certain instances, demand exceeded supply capabilities. Axess maintained its robust market presence, boasting a 24.9% market share in 2023 (2022: 22.5%). This achievement can be attributed to the increased focus on operational efficiency, leading to enhanced performance across all departments.

Building materials. The construction industry continued to show resilience, impacting positively the building materials' companies. Nabridas results were driven by a sustained demand for swimming pools, improved performance of retail stores, and a good contribution from the export market. Grewals met its performance expectations across all departments, except for a slowdown in timber sales. JMD secured and successfully delivered a greater number of B2B and B2C projects.

Eyewear. Plastinax's performance has been impacted by a shortfall of orders from main clients and lower margins resulting from the product mix.

Commerce. Ensport, operating the Decathlon brand, continues to grow its customer base, witnessing a remarkable 25% revenue growth compared to last year. This growth is due to effective marketing strategies and events that have heightened brand awareness; and the ongoing enhancement of the supply chain enabling the company to better serve customers.

During the year, ENL Commercial launched Suntricity, strengthening ENL's presence in the field of renewable energies. Suntricity positions itself as the market leader in the distribution of photovoltaic equipment to the B2B market. Since then, its customer base has steadily grown, and the company has successfully secured sizeable orders, leading to satisfactory results for its first year of operations.

IT good and services. Superdist successfully onboarded new brands both in Mauritius and Madagascar, achieving a good performance despite encountering prolonged delays on major projects. Meanwhile, FRCI has displayed consistent growth and remains a positive contributor to the group's results.

Strategy review

CAP23 achievements	CAP26 ambitions
• All business units outperformed CAP23 targets, except for Eyewear • New businesses incorporated: Ensport, Superdist Madagascar and Suntricity • New waterproofing and metal product lines added in the building materials cluster • Axess' market share of 25.4% exceeded target of 24.7%	Profitability expected to grow significantly during CAP26 by: • Increasing market shares • Maintaining focus on customer experience • Improving processes leading to operational efficiency • Developing sustainable practices and reducing wastes • Further improving employee engagement

Link to risks

Top group risks (pages 74 to 75)

(F) Persisting supply chains disruptions combined with depreciated Mauritian rupee thus impacting costs

Rs 6.5 bn

REVENUE

2022: Rs 4.9 bn

Rs 433 m

PROFIT AFTER TAX

2022: Rs 240 m

Hospitality

Under the umbrella of Rogers Hospitality, we offer a comprehensive hospitality, dining, and leisure experience through renowned brands such as Veranda Resorts, Heritage Resorts and Rogers Aviation. Additionally, we serve as Mauritian franchisees for Domino's Pizza and Ocean Basket. We also hold a 38% stake in associated company New Mauritius Hotels, the operator of the Beachcomber brand.

Operating context

This year was marked by the global resurgence of the leisure and travel industry despite the challenges posed by the inflationary context. The industry operates in a dynamic environment influenced by global economic factors, technological progress, sustainability priorities, regulatory shifts and societal trends. Economic fluctuations directly affect consumer spending and travel preferences, thereby shaping hotel and restaurant activities. Whilst the growing sustainability consciousness influences the industry towards eco-friendly practices.

Performance

Hospitality achieved a profit after tax of Rs 1.4 billion, up from Rs 333 million last year. This strong growth is attributed to a surge in hotel and resort occupancies, higher average daily room rates and the relative strength of the primary trading currencies. Furthermore, food and beverage services and non-food & beverages offerings experienced an increased demand. Rogers Aviation rebounded to pre-pandemic levels, mainly driven by increased airfares and focus on cost containment strategies.

Our associated company, New Mauritius Hotels, made a significant contribution of Rs 825 million to the group's results, a substantial turnaround from a break even recorded last year. The remarkable performance is credited to the exceptional results of the 5-star hotels, further reinforced by the relative strength of their primary trading currencies.

Rs 5.1bn
REVENUE
2022: Rs 2.9 bn

Strategy review

CAP23 achievements

- Back to significant profitability post-COVID-19
  - Cost savings
  - Funding secured through MIC and bank loans
  - Enhanced pricing strategies
- Merger of hotels and leisure activities into Rogers Hospitality
- Development of 2nd Golf Course at Bel Ombre
- Repositioning of Heritage Resorts for travellers seeking unique and inclusive experiences rooted in Heritage's natural and cultural legacy
- Repositioning of Veranda Resorts as 4-star boutique hotels, emphasizing on genuine hospitality
- New outlet at Port-Louis Waterfront for Ocean Basket

CAP26 ambitions

- Strengthen ENL's positioning as the leading hotel & leisure player
  - Position Bel Ombre Nature Reserve as the ultimate reserve of excellence for wellness
  - Enhance Heritage Resorts positioning through service excellence
  - Position Veranda Resorts as Creole-Chic Boutique Resort Collection
  - Enhance leisure offering through new experiences
  - Continuous upgrading of hotels
  - Drive excellence in experience-led sustainable tourism
  - Focus on Talent & Culture to attract and retain employees
- Sustain high profits
  - Heighten marketing efforts and visibility to bolster the success
  - Focus on revenue management with increased direct sales
- Keep growth momentum of travel by acquiring new airline representation and expanding via partnerships and acquisitions

Link to risks

Top group risks (pages 74 to 75)

(H) Contextual factors especially in the Eurozone likely to have an incidence of revenue growth ambitions

Rs 1.4bn
PROFIT AFTER TAX
2022: Rs 333 m

Logistics

Our logistics and supply chain solutions are delivered primarily through Velogic, a subsidiary of Rogers. Velogic is headquartered in Mauritius and present in six different countries. It operates an integrated global logistics platform and is publicly listed on the Stock Exchange of Mauritius. Furthermore, Rennel, representing FedEx locally, is specialised in courier services, inland transport, and clearance.

Operating context

Air and sea transport market conditions improved with increasing capacity, gradually restoring freight charges to pre-pandemic levels. The year was marked by global geopolitical tensions and rising interest rates. Europe's economic slowdown in the latter half of the year negatively impacted air volumes in cross-border logistics, including garment exports from Mauritius and Madagascar to European markets. On the other hand, Mauritius enjoyed a resurgence linked to increased tourism and nationwide projects, resulting in higher imports.

Performance

Velogic. Locally, profitability was up for the year. Landside Logistics generated significantly higher profitability mainly due to increased imports and cost reductions. However, container depot struggled with reduced storage volumes from shipping lines.

The overseas segment maintained a solid performance, contributing to over 50% of the profitability. Kenya delivered a robust performance on account of the upsides generated from the acquisition of Rongai in November 2022 and subsequent synergies. Madagascar's profitability increased despite decreases in air and sea freight volumes, mainly due to better yields achieved in cross-border activities and new customer acquisition in the non-textile sector. India's profitability declined due to reduced air volumes and intense competition, while bulk shipping activity suffered from lower commissions due to falling charter rates.

Rennel maintained its good performance. This was attributed to ongoing cost efficiencies stemming from the integration of FedEx and TNT, as well as the collaboration with FedEx to secure more favourable pricing.

Strategy review

CAP23 achievements	CAP26 ambitions

• Outperformed CAP23 in an eventful context
  ◦ Diversification of services
  ◦ Exit of KIBO and Amethis, and listing of Velogic on the Stock Exchange of Mauritius
  ◦ Strategic partnership in France
  ◦ Acquisition of Rongai in Kenya
  ◦ Deriving 50% of profits from overseas
	• Consolidate position in mature markets with productivity gains and market share acquisition
	• Grow organically in emerging markets taking advantage of high-country growth
	• Further simplify trade for customers with use of technology

Link to risks

Top group risks (pages 74 to 75)

Increased competition and geopolitical headwinds exerting pressures on margins

Rs 3.7 bn
REVENUE
2022: Rs 3.7 bn

Rs 273 m
PROFIT AFTER TAX
2022: Rs 206 m

Finance & technology

The segment operates under the brand name of Rogers Capital with three core sectors: Credit, Fiduciary and Technology. It positions itself as a provider of tailored solutions for both international and domestic clients.

- **Credit,** offers consumer and credit finance, leasing, and factoring services.
- **Fiduciary**, serves as the cornerstone of our comprehensive services, specialising in corporate, fund, and trust services.
- **Technology**, focuses on the B2B market in Mauritius and Africa, delivering customised solutions encompassing digitalisation, connectivity, cloud infrastructure and cybersecurity.

Through Rogers, we hold a significant stake in Swan General, a leading general and life insurer in Mauritius, as well as Swan Capital Solutions, a company operating in the fund management and brokerage industry.

Operating context

This segment is significantly challenged by the growing talent shortage, particularly for experienced professionals locally, which poses a potential risk to the segment's growth. The *Credit* sector encountered challenges including disruptions in vehicle supply, rising interest rates, and reduced spending power, exacerbated by intensified competition across distribution channels. In contrast, the *Fiduciary* sector benefited from landmark licensing of the first Variable Capital Company in Mauritius and new enabling licenses from the Financial Services Commission, enhancing the Mauritius International Financial Centre's appeal. In the *Technology* sector, supply chain disruptions for computer equipments were a setback, but there is substantial growth potential driven by increased demand for digital transformation solutions, including cloud integration, improved connectivity and cybersecurity measures.

Performance

The *Credit* sector underwent a significant reorganisation, with Leasing and Factoring activities now under Rogers Capital Finance Ltd and Consumer and Credit finance business transferred to the newly incorporated Rogers Capital Credit Ltd. Performance of this activity was impacted by the reorganisation costs amounting to Rs 91 million, comprising mainly of additional provisions made with relation to Consumer finance contracts.

Fiduciary improved results in the past year due to a heightened focus on business development and the successful conversion of special licenses. The operationalisation of the Tax Africa Network, a pan-African initiative driven by this sector, is now yielding tangible results through increased cross-referrals of tax advisory work among its members.

The *Technology* sector, despite strong performance in Enterprise Infrastructure Solutions and Cloud and Managed Connectivity Services, experienced cost challenges associated with establishing a new office in Rwanda and investing in growing service lines like cybersecurity advisory, robotic process automation and artificial intelligence.

Strategy review

CAP23 achievements	CAP26 ambitions
• Fiduciary emerged stronger post-exit of FATF grey list • Split of Leasing and Credit, followed by introduction of equity partner in Leasing • Launch of the Tax African Network • Strong digitalisation of operations • But subdued performance for Credit	• Shift Credit to sustainable profitability by unlocking untapped markets and more favourable financing terms • Further strengthen business development thrust both locally and regionally • Strong focus on talent acquisition and development

Link to risks

Top group risks (pages 74 to 75)

(K) Subdued performance, driven by macroeconomic factors, delay growth prospects

Rs 1.2 bn

REVENUE
2022: Rs 1.1 bn

Rs 108 m

PROFIT AFTER TAX
2022: Rs 260 m

Risk Management

Effectively managing risks

Managing risks and opportunities is essential to the group's long-term success and sustainability. An evolving business environment is driving ongoing changes to many organisations' risk exposures:

As 2023 unfolds, the world grapples with a unique blend of unprecedented risks and echoes from the past that hold us captivated. Traditional challenges like inflation, trade wars, and geopolitical tensions now confront us amidst a new wave of complexities. Boards and organisations are facing a "polycrisis" — a cluster of related familiar and unfamiliar disruptive risks, trajectories, and compounding impacts, and unpredictable consequences. The changing dynamics in the macroeconomy, human capital, technology and artificial intelligence (AI) and environmental, social and governance (ESG) landscape compel the organisation to revisit its strategies and embed such trends in the business model to unlock opportunities for the business.

On the international front, geopolitical uncertainties, escalating Taiwan-China tensions; the seemingly non-ending Russia-Ukraine war are events which could unfold in the coming months, if not years.

These are likely to trigger other challenges at country level. In the local context, the sustained price increases are generating inflationary shocks for the local economy while central banks maintain tight monetary policy to counteract the trend. Entities must continue in building resiliency, through effective identification of emerging risks, to withstand shocks and events that could pacify performance. Monitoring these macro-trends and staying agile in business operations and decision-making will be fundamental for sustainability and resiliency of operations.

"The bottom-line of sound and proactive risk management for our businesses goes beyond the essence of short-term performance; it is about ensuring the sustainability of businesses in the backdrop of growing ESG considerations."

Mushtaq Oosman
Chairman, Audit and Risk Management Committee*

* Mushtaq Oosman was Chairman of the Audit and Risk Management Committee up to 29 September 2023. He has been appointed as Chairman of the Audit Committee and Risk Committee effective 29 September 2023.

The changing risk landscape

Despite the challenges, we see remarkable opportunities. We are committed to closely monitoring global trends with significant implications for our industries. By aligning our initiatives with the below trends, we aim to drive sustainable growth, enhancing resilience and stay adaptable in this ever-changing landscape.

Embrace sustainable growth and positive impact

- We are actively integrating sustainable practices into our operations, products, and services to address climate change and environmental concerns.
- A sustainability roadmap 2030 has been devised by the group. **Refer to the Driving impact section for actions implemented by ENL**.

Unlock technological opportunities

- Cyberthreats can directly affect our ability to provide effective stakeholder services impacting operational effectiveness. Reinforcing our cyber defences remains a priority area for the group.
- **AI-driven technologies** hold the promise of optimising operations and **enhancing efficiency** for ENL. Unlock this potential requires us to invest in our resources and technology to enhance the group's positioning.

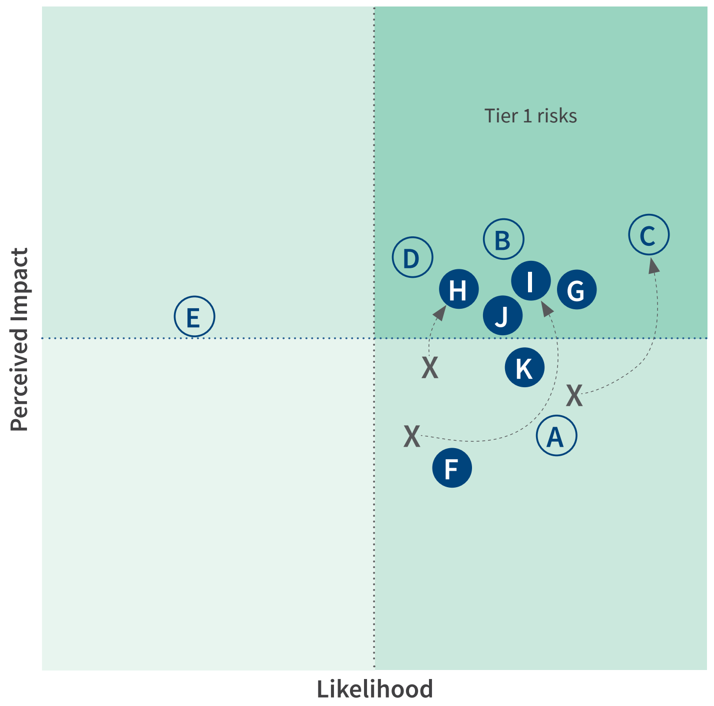
Enhance talent retention and attraction

- ENL group is embracing Diversity, Equity and Inclusiveness upskilling initiatives to promote talent acquisition and retention.
- Fostering resilient employees, emphasising **career growth** and **development** are essential for talent retention. **Refer to the Driving impact section for actions implemented by ENL.**

Process optimisation and transformation

- Natural catastrophes, pandemics, and geopolitical crises severely disrupted global supply networks. Those events are likely to persist and the group revisits its strategies to build resiliency against such shocks.
- **Enhancing efficiencies, effectiveness** and customer experience in supply chain and business processes through Robotic Process Automation (RPA) and AI remain top of the mind.

Snapshot of our risk profile



Risk Heatmap of ENL Group

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

The principal risks depicted on the diagram are the outcome of discussions with Senior Management and Audit and Risk Committee (ARMC) members to identify and prioritise those risks that can impact ENL. The symbol 'X' in the heatmap below denotes the risk position of last year.

Keys
Risk trends: **X** Risk posture - last FY
Nature of risks: Group risk / Served market risk

	GROUP RISKS	RISK CATEGORIES	CHANGE FROM LY
	Principal residual risks of ENL		
A	Changes in macroeconomic variables in the backdrop of growing geopolitical tensions		
B	Adapting to changing customer preferences and expectations		
C	Talent attraction and retention remain predominant challenges driven by rising labour cost, changing aspirations and exodus of talents		
D	Sub-optimisation of technology and digital tools coupled with IT security		
E	Challenges to the preservation of the long-term sustainability of the ecosystems for present and future generations		

	SERVED MARKET RISKS		
	Principal residual risks of ENL		
F	Persisting supply chain disruptions combined with depreciated Mauritian rupee thus impacting costs		
G	Rise in operational costs, due to exogenous factors, and effects of climate change		
H	Contextual factors especially in the Eurozone likely to have an incidence of revenue growth ambitions		
I	Increased competition and geopolitical headwinds exerting pressures on margins		
J	Sustained rise in construction costs and threat of decline in local consumption affecting cash generation		
K	Subdued performance, driven by macroeconomic factors, delay growth prospects		

Keys
Risk category: **Strategic risk** **Financial risk** **Operational risk** **People & systems risk**

Risk trend: **Risk increased** **Risk remained unchanged** **Risk decreased**

Oversight on risk management at ENL

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

Risk profile

Our risk profile encompasses risks at group level andrisks specific to served markets.

Top group risks

Ⓐ Changes in macroeconomic variables in the backdrop of growing geopolitical tensions

Challenges and their impact

- Exposed to sub-par growth in sectorial performance and local consumption driven by hike in inflation and interest rate, which may ultimately affect the group's revenue and cash generation ambitions. These could arise from:
- Deterioration of geopolitical factors and conflicts which may translate in volatility in prices and disrupted supply chain of tradeable commodities.
- Two-fold effects of the fluctuations in foreign currency i.e., strong Euro and USD translates in higher costs of imports whilst favouring export-oriented businesses.

How we respond

- Invest energy in devising the group's 3-year strategic plan – CAP26, to sustain current performance and and expand the group's activities.
- Focus on optimising profit margins by revisiting selling prices, broadening value-offerings, managing costs of operations, benchmarking against competitors to nurture customer appetite and satisfaction.
- Continuous monitoring of the performance of our served markets to stay proactive and responsive to changes and opportunities.
- Contemplate strategic partnership and opportunities to further enhance the scalability of our businesses.

Residual risk

Low High

Ⓑ Adapting to changing customer preferences and expectations

Challenges and their impact

- Global cost-of-living crisis worsened in 2022, hitting vulnerable segments due to inflation and supply disruptions from Russia and Ukraine thereby squeezing customer purchasing power.
- Price wars leading to customers seeking alternatives.
- Inconsistent delivery on the brand promise may deter current and prospective clients.
- Reputational damage to the ENL brand, loss of sales opportunities leading to decrease in market share.

How we respond

- Sustain the involvement and enthusiasm of our sales, marketing, and client-facing teams in cultivating a positive client experience.
- Guarantee that our diverse range of products/services offers an appealing pricing structure tailored to different customer segments.
- Consistently conduct benchmarking with competitors to maintain agility in our commercial and sales strategies.
- Leverage on Tagada's customer-driven initiative to expand our customer reach and cross-fertilisation and hence, offer enhanced customer experience.

Residual risk

Low High

Ⓒ Talent attraction and retention remain predominant challenges driven by rising labour cost, changing aspirations and exodus of talents

Challenges and their impact

- Rising talent mobility and shortages in critical markets like agriculture, global business, and hospitality are challenging our strategy execution.
- Ongoing demands of the workforce to "work remotely" or increased expectations for a transformed, collaborative hybrid work environment may negatively impact our ability to retain talent, hence impacting operational effectiveness.
- Adoption of new technologies requires new skills in short supply requiring significant efforts to reskill and upskill employees.

How we respond

- Committed to fostering a talented workforce by investing in our people through training, performance incentives, and recognition, while also emphasizing our employer-value proposition and embracing Diversity, Equity and Inclusion.
- Emphasise on talent and performance management, employee engagement and national benchmarking of the remuneration policy to foster a culture of performance and reward which are win-win for the organisation and teams.
- Revisit of the Employee Value Proposition, with its primary goals aimed at enhancing the overall employee experience, fostering engagement, and increasing retention rates.

Residual risk

Low High

Ⓓ Sub-optimisation of technology and digital tools coupled with IT security

Challenges and their impact

- Dynamic nature of cyber threat landscape and complexity of the data privacy regulatory environment evolve continuously.
- Risks related to device and internet connectivity, as well as potential delays in embracing disruptive technologies.

How we respond

- Our ongoing focus is on digital transformation, innovation and operational efficiency, to achieve a competitive advantage in alignment with our CAP26 objectives.
- Information and security policies have been established and are regularly subject to review.
- Continuous monitoring of potential threats to the Company's IT infrastructure.

Residual risk

Low High

Ⓔ Inability to preserve the long-term sustainability of the ecosystems and the well-being of both present and future generations

Challenges and their impact

- The degradation of natural resources, ecosystems, and biodiversity due to unsustainable human activities (gas emissions, pollution amongst others)
- Negative impact of climate change including rising temperatures, extreme weather conditions and sea level rises.
- The country's aim to reduce its carbon footprint by 2030 will require significant policy and regulatory changes due to the combined impact of transition and physical risks associated with climate change.
- Accentuated demand of "Green" investors and stakeholders relating to ESG considerations.
- Biodiversity loss and beach erosion in Mauritius impacting the image of the country as a tourist destination.

How we respond

- At group level, continuing engagement towards:
  - Implementation of a Sustainability roadmap 2030
  - Reinforcement of the sustainability team.
  - Efforts aimed at measuring and actively striving to reduce the carbon footprint of our entities.
  - Awareness campaigns through Les Fresques du Numérique et du Climat" workshops.
- At served market level: several initiatives such as 'Now For Tomorrow' sustainability programme (Hospitality) reduced energy consumption initiatives by shopping malls (Ascencia) amongst others.
- On the social front: The group remains deeply committed to empowering communities by encouraging entrepreneurship and nurturing a culture of innovation.
- Annual review of insurance covers which encompasses cover for climate-related events (cyclones, etc.) and act of God catastrophe.

Residual risk

Low High

Served markets' risks

The table provides a snapshot of those main risks and measures which are inherent to our served markets.

COMMERCE & MANUFACTURING

F Persisting supply chain disruptions combined with depreciated Mauritian rupee thus impacting costs

Challenges and their impact

- Price of commercialised products is impacted by effects of the supply chain disruptions for the various segments combined with the effects of depreciated Mauritian rupee.
- The automotive segment reckons a squeeze in margins due to heightened competition and a shift from the sellers' market to a buyers' market positioning. This is compounded by a shortage of offerings in electrification and hybrid technologies due to supplier limitations.
- Concentration of revenue generation in Mauritius.

How we respond

- Surf on the favourable tailwinds of the Mauritian economy, our marketing capabilities and stock availability to extend the product reach whilst ensuring superior customer service and experience.
- Broaden our portfolio of brands and introduce new models to extend our customer and market reach (Mauritius, Reunion, Madagascar) to spur the revenue growth.
- Stay tuned to competitors' moves and successful negotiations for securing electric and hybrid vehicles to materialise in FY24.

Residual risk

Low High

AGRIBUSINESS

G Rise in operational costs, due to exogenous factors, and effects of climate change

Challenges and their impact

- Revenue growth driven by higher sugar prices is sponged by high costs of intrants (fertilisers, herbicides, etc.), lower cane tonnage.
- The ageing labour workforce coupled with changing aspirations of new generations for cane growing activities is a threat to the industry.
- Growing effects of climate change (flash floods, droughts, cyclones) on cane yield
- Non-cane operations operate in an aggressive competition landscape which affect revenue and profit margin optimisation.

How we respond

- Invest in new equipment and technology and sustain cost optimisation measures to improve overall efficiency.
- Maintain the accelerated cane replantation programme, mechanisation plan and leverage foreign labour to ensure sustainability of the business model.
- Explore synergies within the Group; focus on business development, product standards and pricing to maintain competitive edge.

Residual risk

Low High

HOSPITALITY

H Contextual factors especially in the Eurozone likely to have an incidence of revenue growth ambitions

Challenges and their impact

- **Market factors:** Given our market concentration in Western European countries, the segment's revenue growth prospects may be affected by (1) slow growth and aggressive rate hike in the Eurozone, (2) lower household income, (3) changing preferences of tourists for short-haul v/s long-haul in the backdrop of rise in air ticket prices.
- **Talents:** Growing challenge of retention and attraction of Mauritian workforce, to maintain high service standards, in the context of competing propositions of other players and changing aspirations of talents.

How we respond

- Enhance revenue and pricing strategies whilst setting focus on emerging markets.
- Invest in hotel renovations to creating meaningful experiences and foster brand attractiveness.
- Drive cost optimisation strategy such as procurement centralisation and direct ordering.
- Grow pool of local/ international talents and uplift the EVP through career programmes, rewards, flex job work system to remain an employer of choice.

Residual risk

Low High

LOGISTICS

I Increased competition and geopolitical headwinds exerting pressures on margins

Challenges and their impact

- **Competition and market factors:** Increased competition from shipping service lines and freight forwarders coupled with decline in exports volumes from Mauritius, India and Madagascar. Impact is felt in terms of lower freight rates and revenue shortfall.
- **Geopolitical factors:** Deterioration of the Kenya economy, due to tax hikes, as well as political tensions with the upcoming elections in Madagascar likely to entail in sub-par growth of revenue streams.

How we respond

- Capitalise on revenue growth from higher import volumes driven by the recovery of the hospitality sector in Mauritius.
- Sustain expansion prospects and diversification opportunities in the East African countries.
- Focus on simplifying trade through technology to enhance customer experience and thus drive robust top and bottom-line growth.

Residual risk

Low High

REAL ESTATE

J Sustained rise in construction costs and threat of decline in local consumption affecting cash generation

Challenges and their impact

- **Residential:** exogenous factors being inflated construction costs, delays in permits obtention inherently entail in delayed cash generation and higher product price point in the backdrop of intensive competition.
- **Offices:** delay in optimising the occupancy of new office developments at Telfair coupled with changing work dynamics and preferences are risks to expansion plans of Oficea.
- **Malls:** Competitive threats from new entrants and risk of decline in local aggregate consumption, driven by the sticky inflation reality, pose threats to tenants' performance and retention, trading density and rental yield.

How we respond

- Maintain our innovation thread to nurture customer interest in residential/ office/ malls' offerings through initiatives such as launch of Savannah connected countryside, sustainable villas, workspitality offerings, and renovation of malls.
- Capitalise on the national budget 2023-24 initiatives and leverage on the positioning Moka as 'live-work-play—care' to materialise the strong demand for property sales.
- Monitoring of key indicators such as macroeconomic conditions, pipeline of leads, tenant mix, trading density and revise our pricing and product strategies for specific segments.

Residual risk

Low High

FINANCE & TECHNOLOGY

K Subdued performance, driven by macroeconomic factors, delay growth prospects

Challenges and their impact

- **Credit:** Economic conditions (high inflation and interest rates) and funding at attractive rates result in subdued performance of leasing and consumer finance as well as risk of delayed or non-recoveries.
- **Fiduciary and Technology:** High mobility of talents, given the highly competitive labour market, accentuate the threats to retention of talents.

How we respond

- Revise the business model by securing funding line to unlock untapped potential of the segment. In the same vein, accelerate product and market diversification to avoid reliance on traditional business lines.
- Revisit the employer-value-proposition, maintain a strong talent pool and leverage digitalisation of operational processes.
- Target innovative solutions through RPA and AI. Capitalise on the foreign market footprint in Rwanda to materialise future high-value projects.

Residual risk

Low High


We grow our businesses both organically and through mergers, acquisitions and partnerships.

Board of Directors

1. JEAN NOËL HUMBERT

(Born in 1949)

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

Appointed as Director (amalgamated Company): January 2019

Resigned: September 2023

Qualifications: Honours Degree in Agriculture

Committee: Chairman of the Corporate Governance Committee

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

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

2. GILBERT ESPITALIER-NOËL

(Born in 1964)

Executive Director[1], and CEO of ENL group

Appointed as Director (amalgamated Company): January 2019

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

Committees: Member of Corporate Governance and Risk Committees [2]

Professional Journey:
- CEO of ENL Limited and of ENL group
- CEO until June 2023 and Chairman as from 5 July 2023 of New Mauritius Hotels Limited
- Past CEO of ENL Property Limited
- Past Operations Director of Eclosia group
- Past President of the Mauritius Chamber of Commerce and Industry, the Mauritius Chamber of Agriculture, the Joint Economic Council and the Mauritius Sugar Producers Association; past Vice-President of the Mauritius Export Association

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

3. HECTOR ESPITALIER-NOËL

(Born in 1958)

Non-Executive Director[3]

Appointed as Director (amalgamated Company): January 2019

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

Committee: Member of the Corporate Governance Committee

Professional journey:
- CEO of ENL Limited and of ENL group until 30 June 2023
- Worked for Coopers and Lybrand in London
- Worked for De Chazal du Mée in Mauritius
- Past Chairman of the Boards of Rogers and Company Limited, New Mauritius Hotels Limited and Semaris Ltd
- Past chairman of the Mauritius Chamber of Agriculture, the Mauritius Sugar Producers Association, and the Mauritius Sugar Syndicate

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

4. VIRGINIE CORNEILLET

(Born in 1972)

Executive Director

Appointed as Director (amalgamated Company): January 2019

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

Committee: Member of the Risk Committee[4]

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

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

5. ERIC ESPITALIER-NOËL

(Born in 1959)

Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Bachelor of Social Science, Master of Business Administration

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

Skills and experience:
- Extensive experience in the commercial and hospitality sectors

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

(Born in 1946)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Deceased: September 2023

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

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

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

7. ROGER ESPITALIER NOËL

(Born in 1954)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Qualifications: Certificate in Textile and Knitwear Technology

Committees: Member of Corporate Governance, Audit and Risk Committees[5]

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

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

8. JEAN-RAYMOND HARDY

(Born in 1957)

Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Resigned: September 2023

Qualifications: Master in Business Administration

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

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

9. JEAN-PIERRE MONTOCCHIO

(Born in 1963)

Non-Executive Director

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

Qualifications: Notary

Committee: Member of the Corporate Governance Committee

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

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

10. MUSHTAQ OOSMAN

(Born in 1954)

Independent Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

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

Committees: Chairman of the Audit and Risk Committees[6]

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

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

11. JOHAN PILOT

(Born in 1982)

Executive Director

Appointed as Director (amalgamated Company): January 2019

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

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

Skills and experience:
- More than 15 years of experience in the property developments of ENL group
- Modern leadership skills
- Driven by his vision to be a trend-setter in terms of sustainable urban development
- Strong proponent of the pluri-dimensional role of business

12. SIMON-PIERRE REY

(Born in 1952)

Independent Non-Executive Director

Appointed as Director (amalgamated Company): January 2019

Resigned: September 2023

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

Committee: Member of the Audit and Risk Management Committee

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

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

1 Status Change: Following his appointment as CEO of ENL group effective 1 July 2023, the Board status of Mr Gilbert Espitalier-Noël changed from Non-Executive Director to Executive Director.
2 Gilbert Espitalier-Noël has been appointed as Member of the Corporate Governance and Risk Committees effective 29 September 2023.
3 Status Change: Following his retirement as CEO of ENL group effective 30 June 2023, the Board status of Mr Hector Espitalier-Noël changed from Executive Director to Non-Executive Director.
4 Virginie Corneillet was Member of the Corporate Governance Committee up to 29 September 2023. Effective 29 September 2023, she has been appointed as Member of the Risk Committee.
5 Roger Espitalier-Noël was Member of the Audit & Risk Management Committee up to 29 September 2023. He has been appointed as Member of the Risk Committee and Audit Committee effective 29 September 2023.
6 Mushtaq Oosman was Chairman of the Audit & Risk Management Committee up to 29 September 2023. He has been appointed as Chairman of the Audit Committee and Risk Committee effective 29 September 2023.

Newly Appointed Members of the Board of Directors

13. PHILIPPE ESPITALIER-NOËL

(Born in 1965)

Executive Director

Appointed as Director: September 2023 – up *for re-election at the next annual meeting*

Qualifications: BSc in Agricultural Economics (University of Natal, South Africa), Master of Business Administration (London Business School)

Committee: Member of the Risk Committee [7]

Professional journey:

- Chief Executive of Rogers group
- Honorary Consul of the Kingdom of Denmark
- Chairman of Business Mauritius Sustainability and Inclusive Growth Commission since March 2017
- Previously worked as management consultant for CSC Index in London

Skills and experience:

- Proficient in mergers and acquisitions, business turnaround and transformation
- Extensive knowledge in formulating and implementing strategic initiatives, coupled with a talent for inspirational leadership and a deep understanding of people development strategy

14. KESHWAREE (NASHENTA) ZINDEL

(Born in 1986)

Independent Non-Executive Director

Appointed as Director: September 2023 – up *for re-election at the next annual meeting*

Qualifications: Master 2 – Droit Bancaire et Financier (Université Paris I Panthéon- Sorbonne), LLM in European Legal Studies and Business Law (Cardiff Law School), Master 1 – Droit des Affaires (Université de Droit et des Sciences Politiques de Nantes), Licence de Droit (Université de Droit et des Sciences Politiques de Nantes)

Committee: Member of the Audit Committee [8]

Professional journey:

- Presently, Executive/Deputy Head of the Transactional Department at ENSafrica (Mauritius)
- Previously worked as 'Chargée d'affaires juridiques' at NYSE Euronext/BlueNext SA (Paris)

Skills and experience:

- Extensive legal expertise in banking and finance, distribution of financial products and general corporate law
- Proven ability to provide legal advice/solutions to leading financial institutions on high-profile and complex financing and capital market transactions

7 Philippe Espitalier-Noël has been appointed as Member of the Risk Committee effective 29 September 2023.
8 Nashenta Zindel has been appointed as Member of the Audit Committee effective 29 September 2023.

15. PAULINE SEEYAVE

(Born in 1974)

Non-Executive Director

Appointed as Director: September 2023 – up *for re-election at the next annual meeting*

Qualifications: Master of Arts, St Catharine's College, University of Cambridge and Associate of the Institute of Chartered Accountants in England and Wales

Committee: Member of the Audit Committee [9]

Professional journey:

- Group Chief Financial Officer of New Mauritius Hotels Limited since 2016
- Occupied senior executive roles in banking, including finance, risk management, credit, project finance and corporate banking
- Managed a wide portfolio of clients and across various sectors in Audit and Business Assurance in UK
- Current Non-Executive Director of Innodis Ltd
- Member of the Listing Executive Committee of the Stock Exchange of Mauritius Ltd
- Past Director of SBM Bank (Mauritius) Ltd, State Insurance Company of Mauritius Ltd and Club Méditerranée Albion Resorts Ltd

Skills and experience:

- Over 20 years in leadership roles
- Extensive experience in risk management, finance and corporate governance

16. OLIVIER BROUSSE DE LABORDE

(Born in 1976)

Non-Executive Director

Appointed as Director: September 2023 – up *for re-election at the next annual meeting*

Qualifications: Maîtrise de philosophie à Paris I Panthéon-Sorbonne, 3ème cycle à l'ESSEC en Management et Gestion des Ressources Humaines, Expert APM (Association Progrès du Management)

Committee: Member of the Corporate Governance Committee [10]

Professional journey:

- Independent Consultant, focusing on catalyzing authentic leadership for executives and their teams to generate high-performance and sustainable ecosystems in Mauritius and Europe
- Was Chief Transformation Officer at the Medine group
- Former Senior Consultant at Thomas More Partners, a world-class consulting firm specializing in Leadership Transformation, where he served leaders and management teams of key players in Europe and Africa, including a Consumer goods multinational, Automotive equipment manufacturer, and French aeronautical group
- Started his career as Distribution Manager at a Parisian Management Company

Skills and experience:

- Over 15 years' experience in Executive Leadership Counselling
- A conviction: the human person is the cornerstone of any transformation / the responsible and engaged acting body of any transformation

9 Pauline Seeyave has been appointed as Member of the Audit Committee effective 29 September 2023.
10 Olivier Brousse de Laborde has been appointed as Member of the Corporate Governance Committee effective 29 September 2023.

Directorship Lists:

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

Group Leadership

1. **Eric Espitalier-Noël** Chief Executive Officer of ENL Commercial Limited
2. **Gilbert Espitalier-Noël** Chief Executive Officer of ENL group
3. **Frederic Tyack** Chief Executive Officer of Ascencia Limited
4. **Olivier Baissac** Chief Executive Officer of ENL Agri Limited
5. **Philippe Espitalier-Noël** Chief Executive Officer of Rogers and Company Limited
6. **Johan Pilot** Chief Executive Officer of ENL Property Limited
7. **Sophie Desvaux de Marigny** Head of Sustainability
8. **Paul Tsang** Group Head of Finance
9. **Sandra Fayolle** Head of Business Strategy and Investor Relations
10. **Virginie Corneillet** Group Head of Governance and Legal Affairs
11. **Jacques Brousse de Gersigny** Group Head of Technology and Operational Excellence
12. **Yesha Harel** General Manager of Tagada Limited
13. **Doriane Denise-Rama** Group Head of Talent and Culture
14. **Shyama Soondur** Group Head of Communications

Corporate Governance Report

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

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

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

The improved reporting processes implemented at ENL several years ago have bolstered the Board's capacity to make well-informed decisions and monitor progress thus highlighting ENL's unwavering dedication to governance excellence.

The year 2023 has been marked with many changes in governance at ENL from a change in its share registrar to a change in headship, chairmanship and board composition.

In April 2023, the Board has appointed DTOS Registry Services Ltd to act as the Share Registrar of ENL. Shareholders are invited to contact DTOS Registry Services Ltd for any assistance they may require pertaining to an account, change in name or address, queries relating to lost share certificates, share transfers, dividends and so forth.

In June 2023, Mr Hector Espitalier-Noël retired from his office as Group CEO after some 40 years at ENL. Mr Hector Espitalier-Noël has been succeeded by Mr Gilbert Espitalier-Noël as the new Group CEO of ENL.

The periodic review of the composition of the Board of Directors is a proactive and highly strategic practice. It not only empowers organizations to adeptly navigate change, but it also serves as a cornerstone for sustaining effective governance. By continuously aligning board leadership with evolving goals and societal expectations, ENL ensures that its board remains an invaluable asset in steadfastly guiding the organisation towards enduring and prosperous success.

In September 2023, a comprehensive review of the composition of the Board of Directors of ENL was conducted with the appointment of Mmes Nashenta Zindel and Pauline Seeyave and Messrs. Philippe Espitalier-Noël and Olivier Brousse de Laborde in replacement of Messrs. Jean-Raymond Hardy, Jean Noël Humbert, Simon-Pierre Rey and late Gérard Espitalier Noël. With this new board composition, the Board of Directors of ENL is henceforth composed of 25% of women Directors, in line with the requirements of the Companies Act 2001.

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

The Integrated Annual Report 2023 is published in its entirety on the Company's website: www.enl.mu

Mr Jean Noël Humbert

We extend our heartfelt gratitude to Mr Jean Noël Humbert who has gracefully led the Board as Chairman for some nine years. His tenure has been marked by an abundance of wisdom and a wealth of experience, which have been invaluable assets to ENL. As we bid farewell, we express our deepest appreciation for his contributions and wish him continued success in his future endeavors.

Jean-Raymond Hardy

We also extend our sincere appreciation to Mr Jean-Raymond Hardy for his dedicated 17-year service as director on ENL Boards. Mr Jean-Raymond Hardy's disciplined approach, unwavering commitment to excellence, and rigorous work ethic have contributed immensely to the growth of ENL's agribusiness segment. We express our gratitude for his dedication and wish him the very best in his future endeavours.

Simon-Pierre Rey

We are also bidding farewell to Mr Simon-Pierre Rey who has been a director at ENL Commercial and ENL since 2016 and 2019 respectively. Mr Simon-Pierre Rey's contributions and insights as also member of the Audit & Risk Management Committee of ENL are valued and cherished. The Board expresses his warmest thanks to Mr Simon-Pierre Rey for his commitment and dedication to ENL.

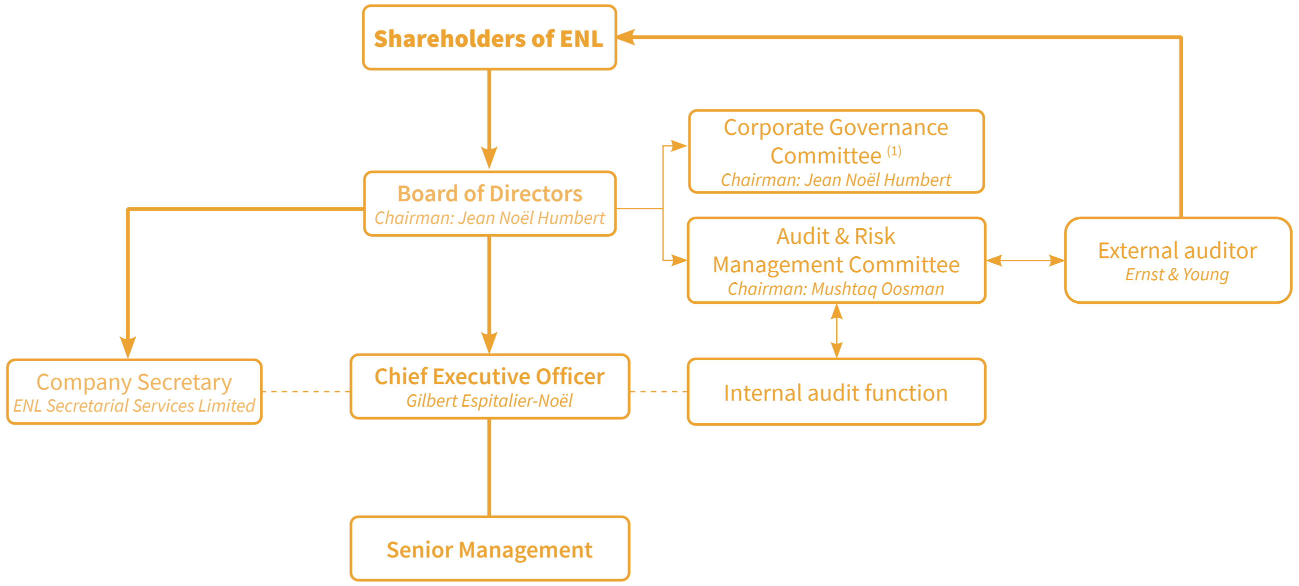
In Memoriam: Remembering Mr Gérard Espitalier Noël

In this year's annual report, we fondly remember Mr Gérard Espitalier Noël, a dedicated director of ENL for over a decade. Mr Gérard Espitalier Noël brought a lively spirit and a commitment to constructive dialogue to our boardroom, leaving an enduring impact on our organization's direction. His legacy serves as a reminder of the profound influence one individual can have, and we honour his memory as we continue our journey, steadfast in our pursuit of growth and a culture of belonging. We extend our deepest condolences to his family, and his memory will inspire us on our path forward.

1. GOVERNANCE STRUCTURE

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

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

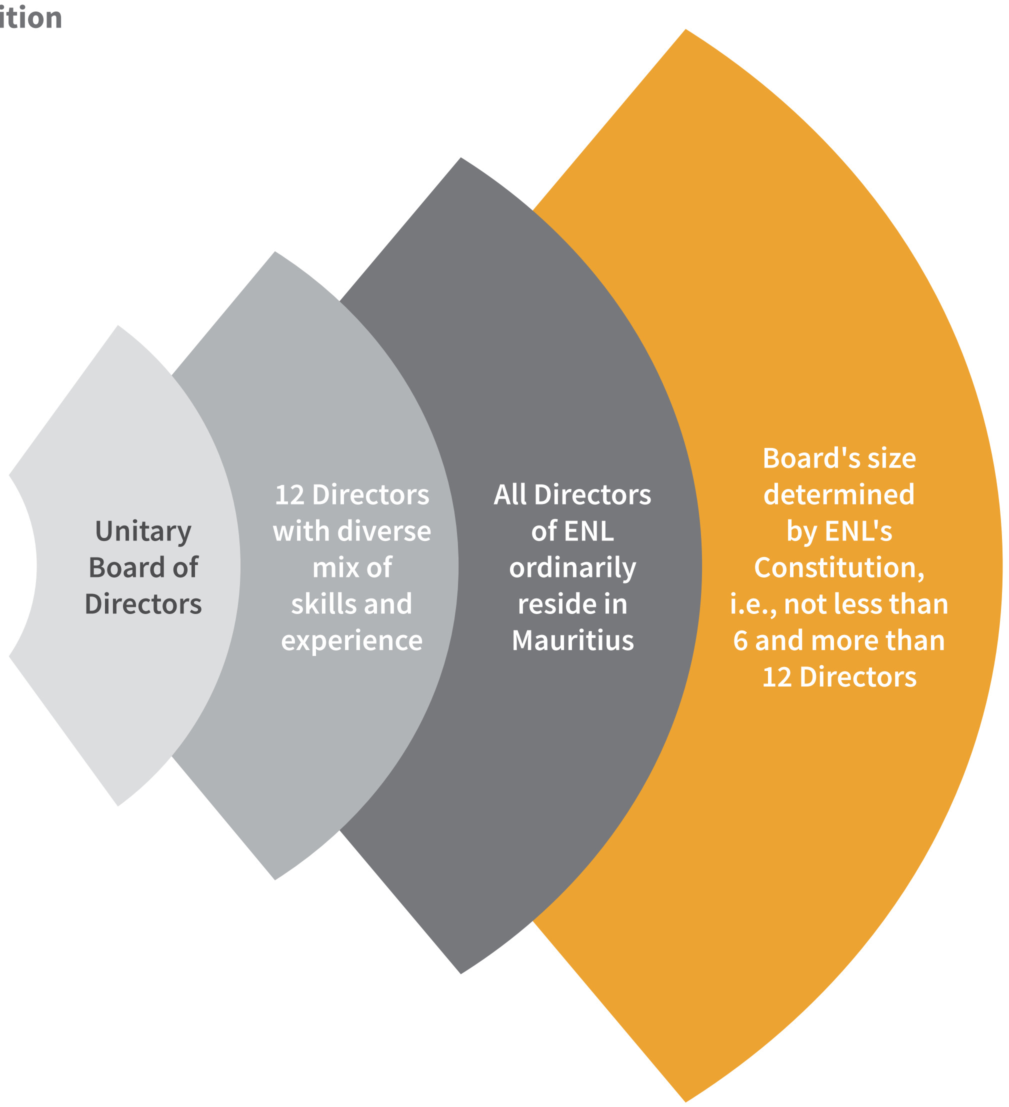


(1). As per its Terms of Reference, in its capacity, the Corporate Governance Committee also acts as Remuneration and Nomination Committee

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

2. THE BOARD

2.1 Board Composition

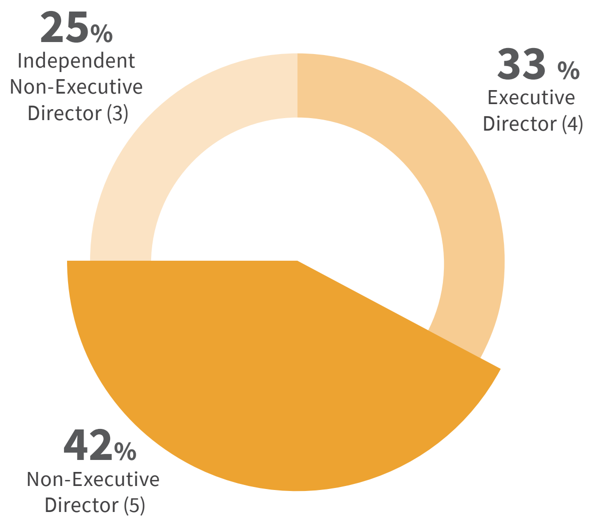


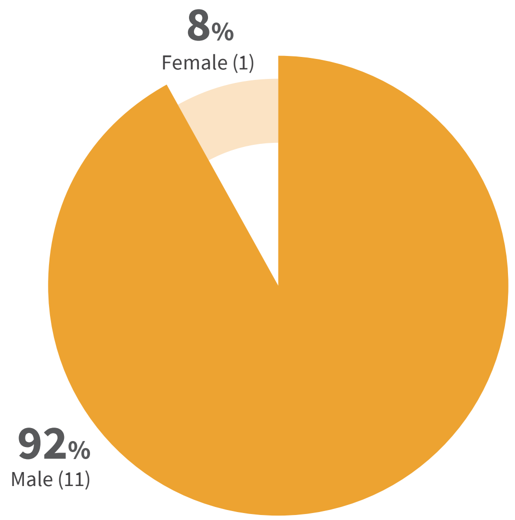
Directors	Gender	Category	Attendance
Jean Noel Humbert	M	INED, Chairman	8/8
Virginie Corneillet	F	ED	8/8
Eric Espitalier-Noël	M	ED	6/8
Late Gérard Espitalier Noël	M	NED	8/8
Gilbert Espitalier-Noël*	M	NED	8/8
Hector Espitalier-Noël**	M	ED	8/8
Roger Espitalier Noël	M	NED	8/8
Jean-Raymond Hardy	M	NED	6/8
Jean-Pierre Montocchio	M	NED	7/8
Mushtaq Oosman	M	INED	8/8
Johan Pilot	M	ED	7/8
Simon-Pierre Rey	M	INED	8/8

ED - Executive Director, NED - Non-Executive Director, INED - Independent Non-Executive Director
Effective 1 July 2023,
*Gilbert Espitalier-Noël is an Executive Director.
** Hector Espitalier-Noël is a Non-Executive Director

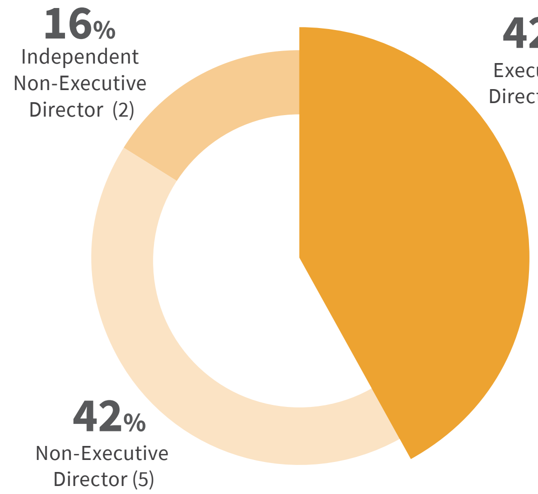
- **As at 30 June 2023:**

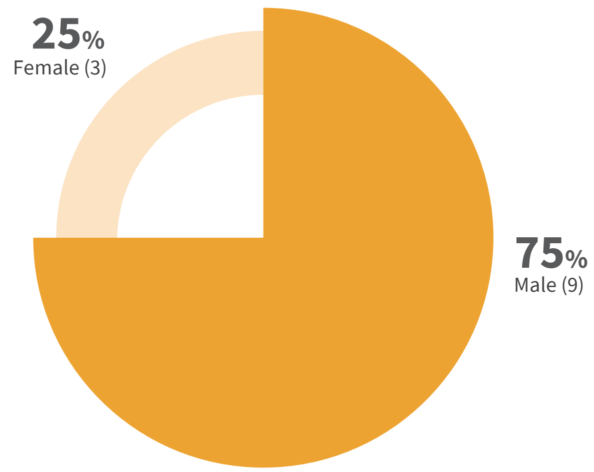
Board Composition at June 2023





- **As at 29 September 2023:**





Directors	Gender	Category
Olivier Brousse de Laborde	M	NED
Virginie Corneillet	F	ED
Eric Espitalier-Noël	M	ED
Gilbert Espitalier-Noël	M	ED
Hector Espitalier-Noël	M	NED
Philippe Espitalier-Noël	M	ED
Roger Espitalier Noël	M	NED
Jean-Pierre Montocchio	M	NED
Mushtaq Oosman	M	INED
Johan Pilot	M	ED
Pauline Seeyave	F	NED
Nashenta Zindel	F	INED

The names and profiles of ENL's Directors are disclosed on pages 82 to 85 of the Integrated Annual Report.

2.2 Board Meeting Process

Convening the meeting

The Company Secretary sends Directors a yearly meeting calendar a year ahead, convening all meetings for the upcoming year.

Agenda Setting

The Chairman, CEO and Company Secretary collaboratively create the agenda before each meeting which encompasses prior minutes' follow-up, ensuring continuity from the previous Board session.

Prior of the meeting

Minutes from the prior meeting, the agenda, CEO's report, and relevant documents for agenda topics are digitally distributed to Directors through a Board Portal.

@ the Board Meeting

Operational and financial reports are presented, Board Committees share their findings/ recommendations, strategic discussions occur, and compliance matters are laid out for review and approval.

Post-Meeting Follow-up

Within two weeks of the Board Meeting, the Company Secretary disseminates follow-up actions and board decisions to relevant parties for action. Subsequently, minutes are drafted and circulated to Directors.

In the course of a financial year, 5 board meetings are planned to discuss both statutory obligations and strategic initiatives that contribute to the company's overall direction. In addition to the regular schedule, ENL also recognizes the need for agility in decision-making. Ad hoc board meetings are thus flexibly scheduled whenever there are corporate transactions which require prompt attention, or when matters of a strategic nature necessitate immediate discussion and resolution. This integrated approach of both scheduled and ad hoc meetings ensures that the board can effectively navigate both planned obligations and unforeseen challenges while upholding the company's strategic vision.

2.3 Focus areas of the Board FY 2022/23

8 Meetings

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

Financials

- Approved the audited financial statements/Annual Report of ENL for the year ended 30 June 2022.
- Approved the unaudited quarterly consolidated results of ENL for publication purposes.

Strategy & Finance

- Reviewed the performance of the group against business plans as reported by the CEO.
- Reviewed the 3-year strategic plan (CAP26) for the group.
- Reviewed and approved financing facilities and assets given as security/guarantee to financial institutions.
- Approved investments/expenditures on information technology for year 2022/23.
- Approved investments in subsidiaries.
- Approved various sale of land.
- Approved the issue of secured floating rate notes and secured fixed rate notes under the MUR 6,000,000,000 Multi-currency Note Programme.
- Declared a total dividend of Rs 1.00 per Ordinary A share for the year ended 30 June 2023.

Governance, Compliance and Risk

- Prepared and convened the meetings of shareholders.
- Recommended to the shareholders the appointment of Ernst & Young as auditors of the Company for the year ended 30 June 2023.
- Took cognizance of the retirement of Mr Hector Espitalier-Noël as Group CEO of ENL and approved the appointment of Mr Gilbert Espitalier-Noël as the new Group CEO in his stead.
- Took cognizance of the eventual retirement of Mr Paul Tsang as Chief Financial Officer of ENL and approved the appointment of Mr Amaury Koenig in his stead.
- Adopted:
  - a Policy on the Prevention of Violence at Work
  - an Equal Opportunity Policy
  - a Policy on the Prevention of Child Labour and Forced Labour
  - an Amended AML-CFT Policy Manual
- Received and reviewed Information Systems, Cyber Security and AML-CFT Compliance reports.
- Appointed new Data Protection Officer and Ethics Officers.
- Approved the change in Registrar and Transfer Office from MCB Registry & Securities Limited to DTOS Registry Services Ltd.
- Received the confirmation of the ARMC and CGC that their Charters were still aligned with the present requisites of ENL group.

Standing Agenda items

- Approved minutes of proceedings of previous meetings.
- Received reports on follow up matters from previous minutes.
- Received disclosures of interests from Directors as and when applicable.
- Received reports from the Chief Executive Officer.
- Received the reports/recommendations of the ARMC and CGC.

2.4 Board Committees

- The Board has delegated some of its powers and responsibilities to two Committees, namely:
  - Corporate Governance Committee ("CGC") which also acts as a Remuneration and Nomination Committee; and
  - Audit and Risk Management Committee ("ARMC").
- Effective September 2023, ENL has set up a Risk Committee and renamed the ARMC as the Audit Committee.
- The Chairman of each committee regularly reports proceedings of the Committees to the Board. The Board of Directors has access to all Committee meetings and records.
- Each committee has its own charter which sets out, *inter alia*, its membership requirements, meeting proceedings, roles and responsibilities.
- The charters of the CGC and ARMC are reviewed annually by the Committees and any proposed amendments are recommended to the Board for approval. In FY 2022/23, the ARMC and CGC have reviewed their charters and confirmed to the Board of Directors the ongoing alignment of their charters with the present requisites of ENL group. The charters are available for consultation on ENL's website: www.enl.mu

2.4.1. Audit and Risk Management Committee (Now Audit Committee)

ARMC Members as at 30 June 2023	Category	Attendance
Mushtaq Oosman	Independent Non-Executive Director, Chairman	8/9
Simon-Pierre Rey	Independent Non-Executive Director	9/9
Roger Espitalier Noël	Non-Executive Director	8/9

The ARMC meets twice every quarter.

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

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

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

The effectiveness of the external audit function is reviewed by the ARMC on an ongoing basis through the review and discussions of reports presented to it.

The ARMC meets with the external auditors without management presence, assesses the independence of the external audit function and is satisfied of its independence.

9 Meetings

Focus areas of the ARMC during FY 2022/23

Financial Statements & Reporting Responsibilities

Reviewed and recommended to the Board the approval of:

- the audited financial statements, risk management disclosures of the Annual Report and publication of the audited abridged financial statements for the year ended 30 June 2022.
- the publication of the unaudited quarterly consolidated results of the Company.
- Received the external auditors' report of the audited financial statements of ENL for the year ended 30 June 2022.

Internal & External Audit matters

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

Internal Controls & Risk Management

- Reviewed the effectiveness of the internal control and risk management systems.
- Examined reports issued by the Risk Management function.
- Considered ENL group's top risks and their trends.
- Analysed reports issued by the Health & Safety Manager in respect of compliance of ENL group to the Occupational Safety & Health Act 2005.
- Reviewed the insurance portfolio of ENL.

Governance & Compliance

- Examined reports issued by the ICT & Cyber Security functions.
- Reviewed the ARMC charter and confirmed to the Board of Directors the ongoing alignment of the said Charter with the present requisites of ENL group.
- Received the report of the Data Protection Officer.
- Monitored transactions in accordance with the Related Party Transaction policy of ENL.
- Received the report of the Money Laundering Reporting Officer/Compliance Officer and recommended the adoption of AML-CFT policy manuals of reporting persons.

Audit Committee Members as at 29 September 2023	Category
Mushtaq Oosman	Independent Non-Executive Director, Chairman
Roger Espitalier Noël	Non-Executive Director
Pauline Seeyave	Non-Executive Director
Nashenta Zindel	Independent Non-Executive Director

2.4.2. Risk Committee

Risk Committee Members as at 29 September 2023	Category
Mushtaq Oosman	Independent Non-Executive Director, Chairman
Virginie Corneillet	Executive Director
Gilbert Espitalier-Noël	Executive Director
Philippe Espitalier-Noël	Executive Director
Roger Espitalier Noël	Non-Executive Director

2.4.3. Corporate Governance Committee

CGC Members as at 30 June 2023	Category	Attendance
Jean Noël Humbert	Independent Non-Executive Director, Chairman	5/5
Virginie Corneillet	Executive Director	5/5
Hector Espitalier-Noël	Executive Director	4/5
Roger Espitalier Noël	Non-Executive Director	5/5
Jean-Pierre Montocchio	Non-Executive Director	5/5

Focus areas of the CGC during FY 2022/23

5 Meetings

Nomination & Remuneration

- Reviewed succession planning within Board and senior management for strategic enhancement.
- Took cognizance of the retirement of Mr Hector Espitalier-Noël as Group CEO of ENL and recommended the appointment of Mr Gilbert Espitalier-Noël as the new Group CEO in his stead.
- Took cognizance of the eventual retirement of Mr Paul Tsang as Chief Financial Officer of ENL and recommended the appointment of Mr Amaury Koenig in his stead.
- Reviewed the remuneration package of Senior Executives of ENL and approved the retirement packages of the departing Senior Executives.

Corporate Governance

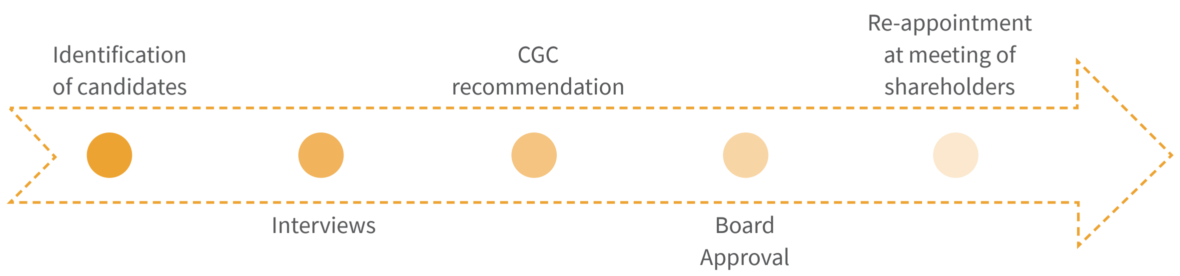
- Reviewed the Corporate Governance Report of ENL for the year ended 30 June 2022.
- Recommended the re-election/re-appointment of Messrs Late Gérard Espitalier Noël, Jean Noël Humbert, Simon-Pierre Rey, Mushtaq Oosman and Roger Espitalier- Noël as Directors of the Company.
- Reviewed the Directors' professional development plan and earmarked an annual budget for continual growth and excellence.
- Reviewed the CGC charter and confirmed to the Board of Directors the ongoing alignment of the said Charter with the present requisites of ENL group.
- Monitored ENL's compliance with its Code of Ethics.
- Received the results of the board evaluation exercise and devised an action plan.
- Recommended the appointment of Ethic Officers of ENL.
- Recommended policies (Prevention of violence at work and Equal Opportunity policies) to the Board.

CGC Members as at 29 September 2023	Category
Hector Espitalier-Noël	Non-Executive Director, Chairman
Gilbert Espitalier-Noël	Executive Director
Olivier Brousse de Laborde	Non-Executive Director
Roger Espitalier Noël	Non-Executive Director
Jean-Pierre Montocchio	Non-Executive Director

2.5 Directors Appointment Procedures

2.5.1. Appointment and re-election

- The Board may appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. The Director so appointed by the Board will hold office only until the next following Annual Meeting and will then be eligible for reappointment.
- The appointment process is delegated to the CGC which recommends to the Board the Directors to be appointed and/or re-elected as morefully detailed in ENL's Board Charter.
- The candidate assessment criteria encompass diverse facets: background, specialized skills, expertise, knowledge, and the contribution potential to enhance overall board effectiveness. The CGC also considers gender diversity, time dedication, and independence during evaluations.
- The Board hereby affirms the following:
  - The Board has revised its board profile in accordance with its Charter, thoroughly considering all characteristics of the Company.
  - The profiles of the recently appointed directors, for whom re-election shall be recommended at the forthcoming Annual Meeting, are in congruence with the strategic needs and objectives of the Company.
- The nomination and appointment process of directors for the Board is as per below:



- As of September 2023, ENL's Board composition has undergone the following changes:

Appointments	Resignation	Deceased
Olivier Brousse de Laborde	Jean-Raymond Hardy	Late Gérard Espitalier Noël
Philippe Espitalier-Noël	Jean Noël Humbert	
Pauline Seeyave	Simon-Pierre Rey	
Nashenta Zindel		

- In accordance with the Company's Constitution, at each Annual Meeting of the Company, one-third of the independent and non-executive Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not exceeding one third, shall retire from office and shall be eligible for re-election. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- Re-election of Directors over the age of 70 years is made in compliance with section 138(6) of the Companies Act 2001.
- Upon recommendation of the CGC the following will be proposed to the shareholders for approval at the forthcoming annual meeting:
  (i) the re-election of Mr Jean-Pierre Montocchio, in accordance with Section 21.6 of the Company's constitution;
  (ii) The re-election of Messrs. Olivier Brousse de Laborde, Philippe Espitalier-Noël, Mmes Pauline Seeyave and Nashenta Zindel, in accordance with Section 21.3 of the Company's constitution.
- The Chairman confirms that Messrs. Olivier Brousse de Laborde, Philippe Espitalier-Noël, Jean-Pierre Montocchio, Mmes Pauline Seeyave and Nashenta Zindel continue to be performing and remain committed to their role as Directors of the Company.

2.5.2. Board Induction

Board Induction

During the year under review, there has been no change in the composition of ENL's Board. In September 2023, the composition of the Board was reviewed with the departures and appointments of new Directors.

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

As part of the induction programme, they receive an appointment letter and a comprehensive induction pack from the company Secretary which contains essential Board and Company information, constitution, charters, policies, calendar of meetings, minutes of proceedings, meet the Company's key executives and have a briefing session with the Chief Executive Officer.

2.5.3. Professional Development and Training

- Directors are encouraged to keep themselves abreast of changes and trends in the Company's businesses, environment and markets.
- The Board regularly assesses the development needs of its Directors and the Board as a whole.
- It facilitates attendance to appropriate training programs so that Directors can continuously update their skills and knowledge.
- A training log is maintained for each Director by the Company Secretary.
- In August 2023, Directors of ENL group participated in a workshop titled 'Futureproofing Corporate Governance for ENL Group Boards' in collaboration with the Mauritius Institute of Directors. The workshop is specially designed for first-time, newly appointed directors, managers earmarked to take directorships or those looking for a refresher. It aims to equip first-time / newly appointed /to be directors with governance, financial, strategic, and ethical knowledge, fostering effective and responsible board leadership.
- During the year under review, Directors attended trainings on Duties and responsibilities of Directors of Public Interest Entities ("PIEs"), AML-CFT and Cyber Security matters.

2.5.4. Succession Planning

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

2.6 Directors' Duties, Remuneration and Performance

2.6.1. Directors' Interests, Dealings in Securities and Related Party Transactions

- The Board, in relation to dealing in the Company's listed securities, comply with the provisions of the Model Code for Securities Transactions ("Model code") by directors of listed companies as detailed in Appendix 6 of the Listing Rules of the SEM and the Companies Act 2001.
- The Company Secretary keeps the Directors apprised of closed periods and of their responsibilities in respect to the Model code.
- ENL's Board Charter also contains policies on Related Party Transactions and Conflicts of Interests.
- Directors who are interested in a transaction or proposed transaction with the Company, disclose their interests to the Board and cause same to be entered in the Interests Register.
- As a measure of good practice, the disclosure of any conflict of interests is a standing item on the Board's agenda such that at the beginning of each meeting, the Chairman invites the Directors to declare their interests, if any.
- The Company Secretary keeps the Interests Register and ensures that the latter is updated regularly. The register is available for consultation by shareholders upon written request to the Company Secretary.
- All new Directors are required to notify in writing to the Company Secretary their direct and indirect interests in ENL including those of their associates.
- As at 30 June 2023, Directors' interests in shares of ENL carrying voting rights were as follows:

	DIRECT		INDIRECT	
	No. of shares	%	No. of shares	%
Virginie Corneillet	27,058	0.003	-	-
Eric Espitalier-Noël	1,419,047	0.133	97,858,352	9.168
Late Gérard Espitalier Noël	1,855,245	0.174	-	-
Gilbert Espitalier-Noël	520,011	0.049	55,331,536	5.184
Hector Espitalier-Noël	1,548,566	0.145	98,312,641	9.210
Roger Espitalier Noël	-	-	1,940,237	0.182
Jean-Raymond Hardy	28,133	0.003	70,676	0.007
Jean Noël Humbert	-	-	-	-
Jean-Pierre Montocchio	465,598	0.044	1,184,793	0.111
Mushtaq Oosman	-	-	-	-
Johan Pilot	180,300	0.017	-	-
Simon Pierre Rey	-	-	-	-

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

Directors	No. of Shares Acquired	No. of Shares Disposed
Virginie Corneillet	5,000	-
Hector Espitalier-Noël	1,763	-
Eric Espitalier-Noël	348,429	-
Late Gérard Espitalier-Noël	947,717	-
Gilbert Espitalier-Noël	540,962[1]	-
Jean-Pierre Montocchio	812,500[2]	-

[1] Include 367,000 Ordinary A shares acquired indirectly through associates.

[2] Include 398,500 Ordinary A shares acquired indirectly through associates.

- Note 43 of the financial statements for the year ended 30 June 2023, set out on page 274 of the Annual Report 2023, details all the related party transactions between the Company or any of its subsidiaries or associates and a director, chief executive, controlling shareholder or companies owned or controlled by a director, chief executive or controlling shareholder.
- Shareholders are apprised of related party transactions through the issue of circulars and press releases by the Company in compliance with the Listing Rules of the SEM.

2.6.2. Information, Information Technology and Information Security Governance

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

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

For more information on the group's response to technology risks, please refer to pages 72 to 77 of the Annual Report.

2.6.3. Legal Duties & Access to information

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

2.6.4. Remuneration Policy

- In accordance with ENL's constitution, fees are paid to the Directors for holding office.
- The underlying philosophy is to set remuneration at appropriate level to attract, retain and motivate high calibre persons and reward in alignment with their individual as well as joint contribution towards the achievement of the company's objective and performance, whilst taking into account the current market conditions and Company's financial position. The Directors are remunerated for their knowledge, experience, and insight given to the Board and Committees.
- The Board of Directors has approved an annual fee for the Directors. They are paid an extra fee as members of Board Committees and as Chair of Board Committees. The Chairperson of the Board is paid a special level of fees appropriate to his office. Particulars of Directors' remuneration are entered into the interests register of the Company.
- Any Director who is in full-time employment of ENL group does not receive any additional remuneration for sitting on the Board of Directors. Any remuneration perceived by an employee of ENL group in respect of his sitting on the Board of Directors of any company is deducted from his yearly remuneration.
- None of the non-executive directors are entitled to remuneration in the form of share options or bonuses associated with the Company's performance.
- The table hereunder lays out the fee structure of the Company for the year ended 30 June 2023:

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

2.6.5. Remuneration and Benefits

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

Category	Directors	Company	Subsidiary companies	Companies on which Director serves as, representative of the Company
		Rs	Rs	Rs
Executive	Virginie Corneillet	450,000	9,995,124	-
	Eric Espitalier-Noël	350,000	14,593,868	1,346,258
	Hector Espitalier-Noël*	54,426,668	820,250	1,115,000
	Johan Pilot	350,000	18,879,535	-
Non-Executive	Late Gérard Espitalier Noël	350,000	-	-
	Gilbert Espitalier-Noël**	350,000	483,182	-
	Roger Espitalier Noël	650,000	150,000	-
	Jean Raymond Hardy	350,000	994,000	-
	Jean-Pierre Montocchio	450,000	810,000	-
Independent Non-Executive	Jean Noël Humbert	900,000	-	-
	Mushtaq Oosman	700,000	-	-
	Simon-Pierre Rey	550,000	75,000	-

*Non-Executive Director as from 1 July 2023

**Executive Director as from 1 July 2023

2.6.6. Board Evaluation

- In line with its Charter, every two years, the Directors critically evaluate the performance of the Board and of the Committees, as well as their respective processes and procedures to ensure that they are designed to assist the Board in effectively fulfilling its role. The Board carried out its last evaluation in 2022.

3. RISK GOVERNANCE

The activities of the risk management processes of ENL are explained on page 72 to 77 of the Annual Report.

4. INTERNAL CONTROL

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

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

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

- Keeping under review the adequacy and effectiveness of the group's systems of internal control, including financial controls and business risk management systems;
- Reviewing and approving the statements to be included in the annual report concerning internal controls and risk management;
- Reviewing executive management reports detailing the adequacy and overall effectiveness of the group's risk management function and its implementation by management;
- Reviewing, together with the group's legal advisor, any legal matters that could have a significant impact on the group's business, reviewing the risk philosophy, strategy and policies recommended by the executive management and considering reports by the executive management, ensuring compliance with such policies, and with the overall risk profile of the company;
- Reviewing the adequacy of insurance coverage;
- Reviewing risk identification and measurement methodologies;
- Monitoring procedures to deal with and reviewing the disclosure of information to clients; and
- Reporting, considering and taking appropriate action of the risk exposure of the organisation in at least the following areas of risk: Strategic, Financial, Operational, Compliance.

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

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

5. INTERNAL AUDIT

5.1 Internal Audit function

The Internal Audit function provides independence and objective assurance, and consulting activity designed to add value and improve ENL group's operations. Internal audit helps the Board and management to maintain and improve the process by which risks are identified and managed and helps the Board discharge its responsibilities for maintaining and strengthening the internal control framework.

The internal audit team, through its charter, reports to the Audit and Risk Management Committee and administratively to the Head of Internal Audit, through a co-sourcing agreement with PricewaterhouseCoopers Ltd (PwC). The Audit Committee, governed by its charter, ensures the independence and competence of the Internal Audit function.

The Head of Internal Audit has over 25 years of experience in internal audit, is a Certified Internal Auditor and holds a certificate in International Risk Management. The ENL Internal Audit team consists of the Internal Audit Manager, two Senior Internal Auditors and one Internal Auditor. The Internal Audit Manager has over eight years of experience and is a member of the Association of Chartered Certified Accountants. Members of the internal audit team are, or are in the process of becoming, qualified accountants, and Certified Internal Auditors.

The ARMC approves and monitors the internal audit plan each year, which focuses on the high risks of the group. The plan is determined by a risk-based approach in close collaboration with the group's risk management function and business leaders. The internal audit function prepares audit reports and recommendations after which follow-ups are performed to ensure that recommendations are implemented. These reports are presented to the ARMC each quarter including the status of management's implementation of recommendations. For any significant issues that cannot wait till the next ARMC, the Head of Internal Audit contacts the Chairman of the ARMC immediately.

ENL's internal audit approach and methodology align with that of PwC, guided by the Institute of Internal Auditors. Through the co-sourcing model, PwC provides specialist skills required to perform specific assignments including IT General Controls and Cybersecurity audits. The internal audit team keeps up to date with industry and regulatory changes and professional standards via Continuous Professional Development (CPDs). The function is also looking to digitalise the audit process and enhance the use of data analytics for more efficiency and insight to the group.

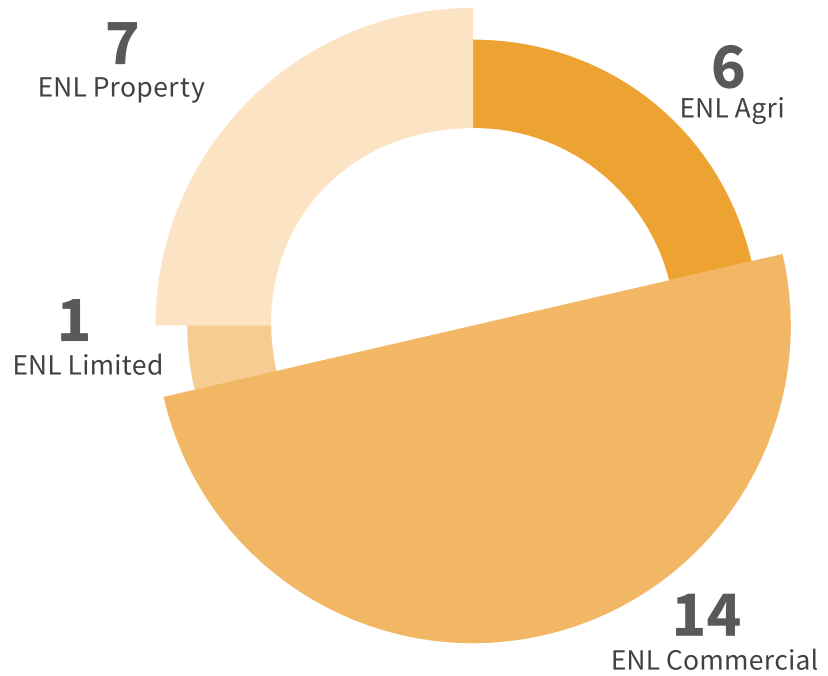
5.2 Internal Audit Areas

The audits covered in the internal audit plan are as follows:

Company	Projects
ENL Agri	Hydroponic (production to sales)
	Compliance to Bon Sucro Production Standards
	Nursery review
ESP Landscapers	Payroll
Agrex	Revenue
Axess	New vehicles management
	Aftersales - Servicing
	WIP management and grounded vehicles
	Body and paint
	Spare parts procurement
Ensport (Decathlon)	Stock and cash management
	Human resource
Grewals	Fixed assets and maintenance
	Stock management of Balau
JMD	Stock management
Nabridas	Poolshops
Plastinax	Sales and shipping
Superdist	Aftersales
Rennel	ITGC
Sygeco	Debtors' management of association foncieres
Ecoasis	Process review
Moka Smart City Management	Debtors' management of association foncieres
Moka City	Sales
ENL Property	Human Resource
	Compliance to AML/CFT
Oficea	Workspitality
EnAtt	Procurement
	Data management

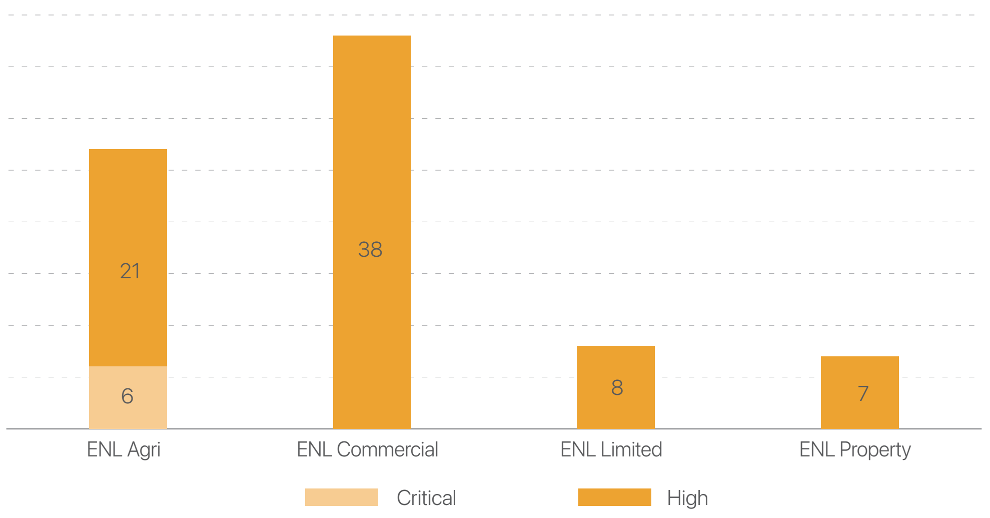
During the financial year, 28 reports were issued, presented and discussed with the Audit and Risk Management Committee, as well as the Boards. The spilt per cluster is as follows, which is in line with the group's significant risks and strategic objectives:

Reports issued in FY23



Out of the 28 audits performed, 6 critical and 74 high findings were raised for which management has accepted internal audit's recommendations and rolled out action plans. The split of the significant findings per cluster is as follows:

Critical and high rated findings per cluster



Follow up has been performed quarterly prior to each audit committee. 47% of significant findings were closed over the year, and for the remaining, management has agreed to implement the necessary measures, with specific target dates to be achieved.

5.3 Internal auditor effectiveness and independence

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

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

The internal audit function maintains its independence and objectivity through a combination of organizational structure, reporting relationships, professional standards, and ethical principles such as:

(i) Direct reporting to an independent oversight body, the ARMC.

(ii) Through the co-sourcing, and adherence to the PwC methodology, the internal audit team has authority to determine their audit scope and work plan.

(iii) Adherence to global IIA standards.

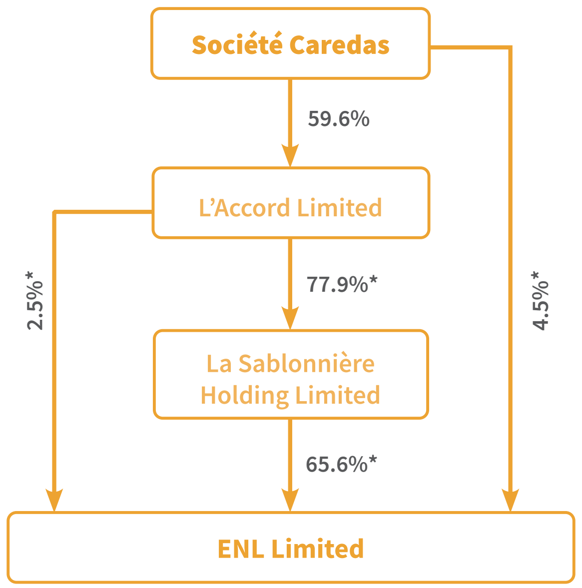
(iv) Ongoing training and professional development programs.

6. SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

6.1 Holding Structure

- The holding company of ENL is L'Accord Limited, a limited-liability public company while the ultimate control of the Company remains with Société Caredas, a société civile.
- The Company's holding structure as at 30 June 2023 was as follows:

(The % disclosed relates to voting rights)



* Effective voting rights

6.2 Shareholding profile

- ENL Limited's Ordinary A Shares are listed on the Official List of the Stock Exchange of Mauritius Limited ("SEM") and the Company is governed by the Listing Rules of the SEM.
- As at 30 June 2023, the share capital of ENL Limited is composed of 374,996,326 Ordinary A Shares and 700,000,000 Restricted Redeemable Shares ("RRS") of no par value.
- As at 30 June 2023, the shareholder holding more than 5% of the voting rights in the shares of the Company and qualifying as a substantial shareholder was as follows:

	%
La Sablonnière Holding Limited	65.6

6.2.1. Distribution of shareholders at 30 June 2023

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

By size of shareholding	Number of Shareholders	Number of Shares held	%
1 - 1,000 shares	1,530	480,331	0.128
1,001 - 5,000 shares	914	2,285,899	0.610
5,001 - 10,000 shares	352	2,549,648	0.680
10,001 - 25,000 shares	512	8,239,049	2.197
25,001 - 50,000 shares	309	10,890,726	2.904
50,001 - 75,000 shares	122	7,648,999	2.040
75,001 - 100,000 shares	84	7,402,154	1.974
100,001 - 250,000 shares	219	34,044,719	9.079
250,001 - 500,000 shares	83	28,781,141	7.675
>= 500,001 shares	126	272,673,660	72.713
Total	**4,251**	**374,996,326**	**100**

6.2.2. Spread of shareholders

To the best knowledge of the Directors, the spread of Ordinary A Shareholders at 30 June 2023 was as follows:

	Number of Shareholders	Number of Shares held	%
Individuals	3,886	171,319,842	45.685
Insurance & assurance companies	10	7,445,715	1.986
Investment & trust companies	32	25,389,993	6.771
Pension & providence funds	231	128,688,034	34.317
Other corporate bodies	92	42,152,742	11.241
Total	**4,251**	**374,996,326**	**100**

6.3 Contract between the Company and its substantial shareholder

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

6.4 Third Party Agreements

The group has the following management agreement with third parties:

- ENL Commercial has a management contract with Superdist Limited for the provision of management services.
- A development management agreement with Dolphin Coast Marina Estate Ltd for managing the development of an IRS at La Balise. The contract is discharged by ENL Property.
- A contract with FRCI group for the provision of secretarial services.
- A contract with New Mauritius Hotels Limited for the provision of secretarial services.
- A contract with New Mauritius Hotels Limited for the provision of insurance consultancy services.
- ENL Agri Limited has a management agreement with Circonstance Estate Ltd for the management of the agricultural operations, buildings and land assets of Circonstance Estate Ltd.
- A contract with Mautourco Holdings Ltd for the provision of insurance consultancy services.
- A contract with Semaris Ltd for the provision of secretarial services.
- ENL Property Limited has a management contract with Workshop17 Workspace Solutions (Mauritius) Ltd for the provision of management services.

6.5 Relations with shareholders and other key stakeholders

6.5.1. Key stakeholders

- The company is committed to engage actively with its stakeholders to meet their expectations and interests in an effective and efficient manner.
- ENL's engagement with key stakeholders and the way it has responded to their expectations are described in the Driving Impact section from pages 28 to 38 of the Annual Report.

6.5.2. Shareholders' relations and communications

- The Board of Directors places great importance on open and transparent communication with its shareholders. The company communicates to its shareholders through its Annual Report, circulars issued in compliance with the Listing Rules of the SEM, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Company, dividend declarations and the Annual Meeting of shareholders.
- In compliance with the Companies Act 2001, shareholders are invited to ENL's shareholders' meetings where they can raise and discuss matters relating to the Company with the Board.
- The Company also communicates via social media platforms and its company website, where shareholders and potential investors have specific interfaces. Visit the company's website on www.enl.mu
- The Company aims to foster conversations and feedback with the financial community via Investor meetings which are conducted biannually with a presentation of the Group's financial performance, updates on developments and Q&A sessions.

6.5.3. Shareholders' calendar

October 2023	Publication of abridged audited financial statements for the year ended 30 June 2023
November 2023	Issue of Annual Report 2023
	Publication of first quarter results to 30 September 2023
	Eventual declaration of interim dividend
December 2023	Annual Meeting of Shareholders
February 2024	Publication of half-year results to 31 December 2023
May 2024	Publication of nine months results to 31 March 2024
	Eventual declaration of final dividend

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

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

6.5.5. Dividend

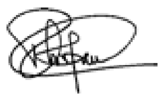
The Company has no formal dividend policy. Payment of dividends is subject to the profitability of the Company, cash flow, working capital and capital-expenditure requirements.

7. COMPANY SECRETARY

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

8. EXTERNAL AUDIT

- Messrs. Ernst & Young have been re-appointed as external auditors of ENL for the financial year ended 30 June 2023 at the shareholders' meeting held in December 2022.
- During the year under review, Ernst & Young also provided tax services to ENL Group.



Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

11 October 2023

Board of Directors' Statements

I OTHER STATUTORY DISCLOSURES

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

30 June 2023

Activities

The activities of ENL group are disclosed on pages 56 to 71 of the Annual Report 2023.

Directors

A list of the Directors of the Company and its subsidiaries is given on pages 116 to 131 of the Annual Report 2023.

Directors' Service Contracts

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

Contracts of Significance

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

Directors' remuneration and benefits

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

	From the Company		From the Subsidiaries	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Executive				
Full-time	54,427	21,169	820	780
Part-time	1,150	950	41,041	35,194
Non-executive	4,300	3,200	2,512	11,038
Post-employment benefits – Executive Directors	-	-	2,427	1,678
	59,877	25,319	46,800	48,690

Directors' Interests in Shares

(i) The interests of the Directors in the shares of ENL Limited as at 30 June 2023 are found on pages 99 to 101 of the Annual Report.

(ii) As at 30 June 2023, none of the Directors, except for those detailed below, held any direct interests in the equity of the subsidiaries of the Company:

	Ascencia Ltd		Rogers and Company Limited	
	No. of shares	%	No. of shares	%
Virginie Corneillet	4,000	0.0008	1,900	0.0008
Eric Espitalier-Noël	-	-	42,249	0.0168
Gilbert Espitalier-Noël	-	-	86,871	0.0345
Hector Espitalier-Noël	-	-	44,948	0.0178
Jean-Raymond Hardy	2,000	0.0004	-	-
Jean-Pierre Montocchio	-	-	49,833	0.0198

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

As at 30 June 2023, none of the senior officers (excluding directors), except for those detailed below, held any direct or indirect interests in the shares of the Company carrying voting rights:

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Philippe Espitalier-Noël	898,827	0.084	80,471,326	7.539
Doriane Denise-Rama	710	0.000	-	-

Shareholders

At 29 August 2023, the following shareholders were directly or indirectly interested in more than 5% in the shares of the Company carrying voting rights:

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

Donations

	2023	2022
Donations made during the year:		
• **Political (Rs'000)**		
- ENL Limited	1,000	-
• **Others (Rs'000)**		
- ENL Limited	682	772
- ENL Commercial Limited	75	7

	Group		Company	
	2023	2022	2023	2022
• **Corporate Social Responsibility (Rs'000)**				
- Statutory	10,012	10,532	-	-
- Voluntary	10,816	11,058	4,974	4,679

Auditors' Remuneration

	30 June 2023				30 June 2022			
	Audit fees paid to:		Fees paid for the other services provided by:		Audit fees paid to:		Fees paid for the other services provided by:	
	Ernst & Young	Other firms	Ernst & Young	Other firms	Ernst & Young	Other firms	Ernst & Young	Other firms
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ENL Limited	6,350	-	74	-	5,500	-	70	-
ENL Commercial Limited	825	-	-		660	-	-	-
ESP Landscapers Ltd	-	258	-	-	-	185	-	-
Oficea Company Limited	860	-	77	-	800	-	42	-
ENL Residentiel Limited	364	-	13	-	350	-	11	-
Nabridas Ltd	-	460	-	30	-	390	-	-
Nabridas International Ltd	-	-	-	10	-	-	-	17
Courchamps Development Limited	-	-	-	-	259	-	11	-
ENL Secretarial Services Limited	-	-	-	9	-	-	-	8
SB Cattle Ltd	-	-	-	15	-	-	-	14
Field Good Fresh Foods Limited	-	165	-	-	-	72	-	12
Grewals (Mauritius) Limited	-	500	-	34	-	425	-	32
ENL Corporate Services Limited	363	-	26	-	330	-	25	-
Joinery and Metal Distribution International Ltd	-	255		16	-	238	-	26
Rennel Limited	-	385	-	41	-	267	-	50
Axess Limited	1,500	-	390	-	1,200	-	365	-
Agrex Limited	-	174	-	-	-	125	-	22
Societé Reunion	-	-	-	8	-	-	-	7
Plastinax Austral Limited	-	648	-	36	-	541	-	38
Commercial Investment Property Fund Limited	-	210	-	32	-	210	-	10
Ensport Limited	1,098	-	53	-	575	-	10	-
ESP Cleaning Limited	-	133	-	-	-	100	-	10
ENL Corporate Ventures Limited	385	-	16	-	350	-	15	-
EnVolt Limited	182	-	17	-	165	-	16	-
Societé Du Courlis	-	-	-	9	-	-	-	8
Mon Desert Alma Sugar Milling Company Limited	-	212	-	-	-	80	-	16
Tagada Limited	250	-	-	13	-	-	-	13
Savannah Properties Limited	167	-	19	-	159	-	13	-
EnAtt Ltd	394	-	42	-	350		37	-
ENL Property Limited	990	-	32	-	900	-	30	-
S&W Synergy Limited	221	-	33	-	217	-	23	-

	30 June 2023				30 June 2022			
	Audit fees paid to:		Fees paid for the other services provided by:		Audit fees paid to:		Fees paid for the other services provided by:	
	Ernst & Young	Other firms	Ernst & Young	Other firms	Ernst & Young	Other firms	Ernst & Young	Other firms
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Moka City Limited	544	-	38	-	500	-	32	-
ENL Agri Limited	-	1,549	-	-	-	1,225	-	74
Enquickfix Limited	-	-	-	8	-	-	-	8
Sygeco Limited	-	51	-	17	-	42	-	17
Courchamps Properties Limited	219	-	12	-	165	-	10	-
Telfair Square Limited	-	-	-	-	182	-	16	-
Tambourissa Limited	176	-	13	-	160	-	12	-
Gros Bois Development Limited	-	-	-	-	165	-	10	-
Oficea Workspitality Ltd	-	-	-	-	100	-	10	-
The Enabling Academy Limited	-	-	-	6	-	-	-	9
Ecoasis Energy Solutions Ltd	-	330	-	23	-	375	-	20
Ecoasis Mechanical Works Ltd	-	65	-	10	-	150	-	10
Ecoasis Technical Services Ltd	-	75	-	11	-	150	-	10
Suntricity Company Limited	-	-	-	13	-	50	-	-
Savannah Smart City Limited	183	-	12	-	-	-	5	-
La Place du Village Limited	175	-	11	-	-	-	10	-
Savannah Land Development Ltd	46	-	6	-	-	-	-	-
Telfair Apartments Limited	17	-	6		-	-	-	-
Rogers & Co Group	24,600	20,800	-	15,400	22,786	19,349	-	18,922
	39,908	26,270	890	15,738	35,872	23,974	772	19,352

II STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect of Financial Statements

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

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

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

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

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

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

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

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

III STATEMENT OF COMPLIANCE TO CODE

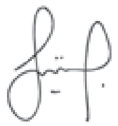
(Section 75 (3) of the Financial Reporting Act)

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

Reporting Period: 1 July 2022 to 30 June 2023

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

Hector Espitalier-Noël
Director



Gilbert Espitalier-Noël
Director

11 October 2023

Company Secretary's Certificate

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

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

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

11 October 2023

List of Directors of the Company and its Subsidiaries

Company	Abraham Bertrand Denis	Adam Marie Marc Guy	Adronceau Simon Hugues Alexandre	Ah Ching Cheong Shaw Woo	Allagapen Gary Deva	Allas Harold-Denis Dantes	Andre Emmanuel René	Apaya Mickaël Jean-Paul	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Babajee Dineshrao	Bahal Ritu	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Bayrajee Ryad Mohammad	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Biltoo Jugoo Anjella	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Cargill Christopher	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Capery Sooraiya	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges
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Company	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Robillard Sebastien Marie	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angelique Anne	Desvaux de Marigny Christophe	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey	Doger de Spéville Alban Ulrich	Doger de Speville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H. W. Anthony	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier-Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe	Espitalier Noël Marie Patrick Roger
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Company	Espitalier Noël H.J.Thierry	Espitalier Noël Rebecca	Evans Vanessa Jane	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre	Fayolle Sandra Hélène	Fontanel Gerald	Galea Marie Henri Dominique	Garrioch Anthony Gérard	Geurts Marieke Danielle	Guillot-Sestier Celine Marie	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Govinden Thierry Desiré Laval	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh
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Nabridas Ltd																								✓																																	
Oficea Company Limited																								✓		R																		✓													
P.A.P.O.L.C.S. Ltd																			✓																																						
Papol Holding Ltd																			✓			✓																																			
Plaine des Papayes Properties Limited																								✓																																	
Plaisance Air Transport Services Ltd																																		✓																							
Plastinax Austral Limited																								✓		R			✓																												
Rennel Limited													✓											✓																																	
Restaurant Operations company Ltd				A																								✓																													
River Court Nominees Limited																																																									
Rogers and Company Limited																								✓	✓	✓		✓																													
Rogers Aviation (Mauritius) Ltd																																		✓																							
Rogers Aviation Comores S.A.R.L																																		✓																							
Rogers Aviation France S.A.R.L																																		✓																							
Rogers Aviation Holding Co Ltd																												✓					✓	✓																							
Rogers Aviation International Ltd																																		✓																							
Rogers Aviation Kenya Ltd																																		✓																							
Rogers Aviation Madagascar S.A.R.L																																		✓																							
Rogers Aviation Mayotte SARL																																		✓																							
Rogers Aviation Mozambique LDA.																																		✓																							
Rogers Aviation Reunion SARL																																		✓																							

	Abraham Bertrand Denis	Adam Marie Marc Guy	Adronceau Simon Hugues Alexandre	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dantes	Andre Emmanuel René	Apaya Mickaël Jean-Paul	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Babajee Dineshrao	Bahal Ritu	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Bayrajee Ryad Mohammad	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar	Bhoyroo Mohammad Yashinn	Biltoo Jugoo Anjella	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Cargill Christopher	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Capery Sooraiya	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges
Rogers Aviation South Africa (Proprietary) Limited																																								
Rogers Capital Accounting Services Ltd																																								
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Rogers Logistics International Ltd																																								
Rogers Logistics Services Company Ltd	✓																																							
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Rogers Shipping PTE Ltd																																								
Rongai Workshop and Transport Limited														✓			✓			✓																				
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S & W Synergy Ltd												✓																						A						
Savannah Land Development Company Limited																																		✓	✓					
Savannah Properties Limited																																								
Savannah Smart City Limited																																		✓	✓					
Seafood Basket Limited																																								
Seven Colours Spa Ltd																																								
SB Cattle Ltd																																								

	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Robillard Sebastien Marie	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angélique Anne	Desvaux de Marigny Christophe	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey	Doger de Spéville Alban Ulrich	Doger de Speville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H. W. Anthony	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe	Espitalier Noël Marie Patrick Roger	Espitalier Noël H.J.Thierry	Espitalier Noël Rebecca	Evans Vanessa Jane	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre	Fayolle Sandra Hélène	Fontanel Gerald	Galea Marie Henri Dominique	Garrioch Anthony Gérard	Geurts Marieke Danielle	Guillot-Sestier Celine Marie	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Govinden Thierry Desiré Laval	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh
Rogers Aviation South Africa (Proprietary) Limited																																		✓																							
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Rogers International Distribution Services Madagascar S.A.R.L							✓																																																		
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Seafood Basket Limited				A																								R																													
Seven Colours Spa Ltd				✓																				✓																																✓	
SB Cattle Ltd																										R																								✓							

	Abraham Bertrand Denis	Adam Marie Marc Guy	Adronceau Simon Hugues Alexandre	Ah Ching Cheong Shaow Woo	Allagapen Gary Deva	Allas Harold-Denis Dantes	Andre Emmanuel René	Apaya Mickaël Jean-Paul	Arekion Charles Henri Thierry	Arrowsmith Sarah Carmen	Abdoollah Mohammad Feizal	Audibert Louis Didier Vitry	Babajee Dineshrao	Bahal Ritu	Baissac Olivier Robert	Barbier Vincent Jean Pierre	Bayrajee Ryad Mohammad	Beni Madhu Nitish	Bessoondyal Kevin	Bhatt Mehul Hitesh Kumar
Smartvertising Ltd																				
Southern Marine & Co Ltd																				
South West Tourism Development Company Limited																				
Sports-Event Management Operation Co Ltd																				
Sukpak Ltd										✓										
Suntricity Company Limited																				
Sygeco Limited												✓								
Sweetwater Ltd																				
Tagada Limited																				✓
Tambourissa Limited																				
Telfair Apartments Limited																				
The Enabling Academy Limited																				
Terroirs Mauriciens Ltd																				
Ti Pouce Limited																				
Transcontinent S.A.R.L.																				
Turbine Incubator Limited																				
Velogic India Private Limited																				
Velogic Express Reunion SAS																				
Velogic Garage Services Ltd	✓																			
Velogic Haulage Services Ltd	✓																			
Velogic Holding Company Ltd																✓				✓
Velogic Ltd																				
Veranda Tamarin Ltd																				
VK Logistics Ltd																				✓
VSR (Velogic Reunion)																				

	Bhoyroo Mohammad Yashinn	Biltoo Jugoo Anjella	Bissessur Jitendra Nathsingh	Bissessur Sutteea Buruthsingh	Bissessur Shreekantsingh	Blandin de Chalain Jean-Marie Nicolas	Boshoff Armond	Bouic Joseph Guillaume Karl	Boullé Fabrice François	Brewis Martin John	Boyramboli Bojrazsingh	Brousse de Gersigny Jacques	Cargill Christopher	Brousse de Gersigny Samuel Philippe	Caesens Koenig Amaury Bruno	Capery Sooraiya	Cassam Raficq	Cavalot Rene Claude Vincent	Chellapermal Radhakrishna	Chung Tick Kan Georges
Smartvertising Ltd																				
Southern Marine & Co Ltd																				
South West Tourism Development Company Limited																				
Sports-Event Management Operation Co Ltd																				
Sukpak Ltd										✓										
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Tagada Limited												✓								
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Telfair Apartments Limited															✓					
The Enabling Academy Limited																				
Terroirs Mauriciens Ltd																				
Ti Pouce Limited																				
Transcontinent S.A.R.L.																				
Turbine Incubator Limited									✓											
Velogic India Private Limited																				
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Velogic Ltd																				
Veranda Tamarin Ltd																		✓		
VK Logistics Ltd																				
VSR (Velogic Reunion)																				

	Cisneros Maria Antoinette Yolande	Cisneros Gilbert Jean Antoine	Corneillet Virginie Anne	Colin Jean Michel Barthelemy	Corroy Marie Sybil Anick	De Chasteigner Dumée-Duval Marie Noël Vincent	De Comarmond Marie Maurice André Louis	De Robillard Sebastien Marie	De Waal Anton	Denise-Rama Marie Doriane Jessica	Desvaux de Marigny Angelique Anne	Desvaux de Marigny Christophe	Deweer Cedric Robert Andre	D'Hotman De Villiers Audrey	Doger de Spéville Alban Ulrich	Doger de Speville Michel Cedric	Doger De Speville Marie Joseph Thierry	Dodds Ryan Matthew	Driver H. W. Anthony
Smartvertising Ltd																			
Southern Marine & Co Ltd																			
South West Tourism Development Company Limited																			
Sports-Event Management Operation Co Ltd																		✓	
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Turbine Incubator Limited																			
Velogic India Private Limited																			
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Velogic Holding Company Ltd																			
Velogic Ltd							✓												
Veranda Tamarin Ltd	✓	✓		✓															
VK Logistics Ltd																			
VSR (Velogic Reunion)																			

	Dupont Marie Danielle Christine	Dupont Marie Jacques Desiré Dominic	Elysee David	Espitalier-Noël Patrice Jean Pierre Edouard	Espitalier-Noël Marie André Eric	Espitalier-Noël Marie Edouard Gilbert	Espitalier-Noël Marie Maxime Hector	Espitalier Noël Joseph Edouard Gérard	Espitalier-Noël Marie Hector Philippe	Espitalier Noël Marie Patrick Roger	Espitalier Noël H.J.Thierry	Espitalier Noël Rebecca	Evans Vanessa Jane	Fakeemahamod Sheik Mohammad Jalloud	Fayd'herbe de Maudave Louis Rene Alexandre	Fayolle Sandra Hélène	Fontanel Gerald	Galea Marie Henri Dominique	Garrioch Anthony Gérard
Smartvertising Ltd							R												
Southern Marine & Co Ltd																			
South West Tourism Development Company Limited					✓		R		✓										
Sports-Event Management Operation Co Ltd									✓										
Sukpak Ltd									✓		✓								
Suntricity Company Limited					✓														
Sygeco Limited																			
Sweetwater Ltd									✓										
Tagada Limited							R												
Tambourissa Limited					✓		R												
Telfair Apartments Limited		✓																	
The Enabling Academy Limited							R												
Terroirs Mauriciens Ltd																			
Ti Pouce Limited																			
Transcontinent S.A.R.L.															✓				
Turbine Incubator Limited							R												
Velogic India Private Limited																			
Velogic Express Reunion SAS																			
Velogic Garage Services Ltd																			
Velogic Haulage Services Ltd																			
Velogic Holding Company Ltd						✓			✓										
Velogic Ltd																			
Veranda Tamarin Ltd																			
VK Logistics Ltd																			
VSR (Velogic Reunion)																			

	Geurts Marieke Danielle	Guillot-Sestier Celine Marie	Girard Sylvain	Giraud Paul France	Gobindram Shah Nawaz	Gokulsing Naresh	Gopaul Sanjay	Govinden Thierry Desiré Laval	Guillaud Philippe Pierre Marcel	Hannelas Marie Anabelle Cathie	Hardy Jean-Marie Benoit Doger de Speville	Hardy Gérard Jean-Raymond	Harel Jerome Guy Antoine	Harel Simon	Hart de Keating Christopher	Hebert Thierry Jacques M. A.	Hooloomann Navindranath	Hugnin De Loppinot Brigitte	Humath Rajesh
Smartvertising Ltd												✓							
Southern Marine & Co Ltd																			
South West Tourism Development Company Limited																			
Sports-Event Management Operation Co Ltd																			
Sukpak Ltd																			
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Sweetwater Ltd																			
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Telfair Apartments Limited																	✓		
The Enabling Academy Limited																			
Terroirs Mauriciens Ltd																			
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Turbine Incubator Limited																			
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Velogic Holding Company Ltd																			
Velogic Ltd																			
Veranda Tamarin Ltd																			
VK Logistics Ltd																			
VSR (Velogic Reunion)																			

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

	Hugnin Thierry	Humbert Noël Jean	Hung Han Yun Denis	Hurkoo Dev Harish	Israel Marc	Jaunbaccus Ahmed Nawaz Sanaudin	Jeeawock Gianduth	Jingree Jayechund	Kareh Antoine	Kawol Dhanandjay	Kone-Dicoh Khady-Lika	Kureembukus Bazir Steeve	Lagesse Loïc Gérard Gaëtan	Lagesse Marcel Ernest Clement	Lagesse Jean Olivier	Lalsing Krishnajee	Langlois Gerard Philippe Stephane	Lam Kin Teng Dean Allen	Laulloo Mohammad Faiz Hafiz	Le Blanc Denis Jacques Hervé	Lecordier Tassawur	Legrigore Jean-Francois	Lenoir Gustave E. Jean Pierre	Le Roux Permaloo Hanjali Devi	Le Roy Sophie Marie Clémentine	Leteipan Dave	Li Ting Chung Richard	Louw Lucille Helen	Madhub Maheswaree Naraini	Magon George	Makoond Deonanan	Mamet Jean Evenor Damien	Mamet M.J. Jean-Pierre	Mangar Binesh	Manraj Kareesh	Mariette Benoit Alain Bernard	Marrier D'Unienville Jean Albert	Marrier D'Unienville Joseph Alexis Antoine	Marrier D'Unienville Philippe Marc	Masrani Hasu
Adnarev Ltd																																								
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Associated Container Services Limited																																								
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Bagatelle Hotel Operations Company Limited																																								
Beavia Kenya Limited (Dormant)																																								✓
Bluesky Mayotte SARL																																								
Bluesky Madagascar SARL																	✓																							
BlueAlizé Ltd																																								
BS Travel Management Limitada																	✓																							
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Cap D'abondance Ltd																																								
Cargo Express Madagascar S.A.R.L.																																								
Case Noyale Limitée																							✓																	
CCC LAH Limited																																								
Commercial Investment Property Fund Limited															✓																									
Croisières Australes Ltée																																								
DOMC Ltd																																	✓							
Courchamps Properties Limited																																								
Ecoasis Energy Solutions Ltd																																								
Ecoasis Mechanical Works Ltd																																								
Ecoasis Technical Services Ltd																																								
Emblem Paints Limited															✓																									
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ENL Corporate Services Limited																																								
ENL Corporate Ventures Limited																																								
ENL Foundation																																								
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ENL Property Limited																																								
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Enquickfix Limited																																								
Ensport Limited															✓																									
EnVolt Limited																																								
ESP Cleaning Limited																																				✓				
ESP Landscapers Ltd																																				✓				
Express Logistics Solutions Ltd			✓																																					
Field Good Fresh Foods Limited																																								
Foresite Property Holding Ltd																																✓								
Floreal Limited																																								
FMVV Immobilier Ltee																																								
Freeport Operations (Mauritius) Ltd			✓																																					
General Cargo Services Limited (Kenya)																																								

	Masson Jean Pierre Vivian	Menteath Jonathan Lawrence	Mokar Shah Kirtikumar	Mone Noel Joseph	Montocchio David Albert	Montocchio Francois Thierry	Montocchio Marie Joseph Jean-Pierre	Motet Joseph Jacques	Nadassen Kishen	Nanon Louis Christian	Nathoo Roshan	Ndjemba Abessolo Jean Paul	Noël Alexandre Jospeth Raoul	Nunkoo Nayendranath	Olivier Vivian	Oodally Yousouf	Oosman Mushtaq Mohamed Oomar Noormohamed	Pascal Joseph Gerard Pierre Yves	Park Georges Didier Nicholas	Patel Kiran	Payen Donald Emmanuel	Perdrau Rolland Edesse Hubert	Philogene Jean Didier	Piat Jean-Marie Alexandre Evenor	Piat Patrick Jean Evenor	Pilot Joseph Marie Johan	Pilot Joseph Michel	Pitot Jean Michel	Pople Richard Clive	Radhakeesoon Aruna Lata Vidia	Ramchurn - Oogarah Soorya Devi	Ramessur Daya Prakash	Rey Simon-Pierre	Rey Dominique André Thierry Hugues	Rigouzzo Luc Andre Emmanuel	Rivet Louis Raymond Daryl	Robert Francois Richard	Ruhee Ashley Coomar	Sauzier Thierry Raymond	Soowamber Manesha	Sangeelee Naveen	Seeyave Pauline Sybille Cheh	Shah Sharmil Dhanraj	Sophie Marie Wendy Fabiola	Stedman Richard Sohrab	Tapies Ibern Jaume	Teyssedre Michel Claude	Tsang Min Ching Paul	Tyack Frédéric Gérard	Ujoodha Dhanun	Vacher Belinda	Van Den Brande Dirk Cornellet Paul	Van Der Watt Louis Lukas Stephanus	Veerasamy Naderasen Pillay	Wong Choi Wah Jean Arnaud	Yue Chi Ming Tony
Adnarev Ltd																																																								
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Cargo Express Madagascar S.A.R.L.																																																								✓
Case Noyale Limitée						✓																								R									✓			A														
CCC LAH Limited						A																												R											R											
Commercial Investment Property Fund Limited																																																✓								
Croisières Australes Ltée						A																																							R											
DOMC Ltd						✓			✓																									✓											✓											
Courchamps Properties Limited																										✓								✓																						
Ecoasis Energy Solutions Ltd																							✓											✓															✓							
Ecoasis Mechanical Works Ltd																							✓											✓																						
Ecoasis Technical Services Ltd																							✓											✓																						
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ENL Property Limited																										✓								✓															✓							
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ESP Cleaning Limited																										✓																														
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Express Logistics Solutions Ltd														✓																											✓															
Field Good Fresh Foods Limited																																																								
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General Cargo Services Limited (Kenya)														✓																											✓															

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


We create long-term shared value by rethinking our business models and work practices.

Independent Auditor's Report

TO THE MEMBERS OF ENL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of ENL Limited (the "Company") and its subsidiaries (altogether, the "Group") set out on pages 138 to 285 which comprise the consolidated and separate statements of financial position as at 30 June 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 30 June 2023, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matter	How the matter was addressed in the audit
Valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties As at 30 June 2023, included in Property, Plant and Equipment, the Group and the Company held land and buildings amounting to Rs32.2 billion and Rs635.8 million respectively (see Note 5 to the financial statements). The Group has a policy of recording land and buildings at revalued amount and in the case of buildings, less accumulated depreciation and impairment. Valuations are undertaken with sufficient regularity (between one to three years) by external independent valuation specialists. For the year ended 30 June 2023 the corresponding gains on revaluation reported in Other Comprehensive Income for the Group and Company amounted to Rs 3.9 billion and Rs 26.5 million respectively. The Group and the Company have Investment Properties amounting to Rs25.6 billion and Rs13.7 billion respectively, which are carried at fair value with the gains and losses recognised in profit or loss. Disclosures around the fair valuation of Investment Properties are set out in Note 6 to the financial statements.	**Our audit procedures included the following:** • Obtained, read, and understood the reports from the independent valuation specialists. Tested the mathematical accuracy of the reports and evaluated the valuation methodologies used by the external independent valuation specialists; • Involved our internal valuation specialist in validating the appropriateness of the methodologies and assumptions used; • Assessed the competence, qualifications, experience, and independence of the external independent valuation specialists; • Held discussions with management, challenging key assumptions adopted in the valuations, including discount rates and reversionary rates, and comparing them with historical rates and other available market data;

Independent Auditor's Report

TO THE MEMBERS OF ENL LIMITED

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties (Continued) The fair value of land and buildings classified as Property, Plant and Equipment or Investment Properties are determined by an external independent valuation specialist, using valuation techniques which involve significant judgements and assumptions. Inappropriate estimates made in the valuation of the land and buildings and investment properties may result in a material misstatement: 1. in the carrying amount of the properties and; 2. in profit or loss for the year in the case of Investment Properties and in Other Comprehensive Income in the case of Property, Plant and Equipment. Consequently, the valuation of land and buildings classified under Property, Plant and Equipment and Investment Properties has been identified to be a key audit matter.	**Our audit procedures included the following: (Continued)** • Reviewed forecasted data used in the valuations and corroborated the major inputs used in the forecasts such as rental income and operating costs by comparing the actual tenancy information in the underlying contracts and by comparing actual and historical operating costs; • Reviewed the disclosures about significant estimates, critical judgements made by management and sensitivity analysis in the financial statements in respect of valuation of properties and ensured that all the relevant disclosures are in accordance with IAS 16 Property, Plant and Equipment, IAS 40 Investment Property and IFRS 13 Fair Value Measurements.
Valuation of Investment in subsidiaries and associated companies (Company level only) As at 30 June 2023, the Company held unquoted investments comprising of investments in subsidiaries amounting to Rs24.0 billion and investments in associated companies amounting to Rs1.2 billion which are both carried at fair value. These investments are valued using different methods ranging from discounted cash flow techniques, EBITDA multiples and revalued net asset valuation. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could differ from the estimates. Management has disclosed the estimates and judgments made for the fair valuation of investments in notes 9 and 10 to the financial statements. Due to the significance of these balances in the financial statements, and the significant judgments applied by management in the fair value assessment, the valuation of investment in subsidiaries and investment in associated companies has been considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding of the process and controls in place in the fair valuation of the investment in subsidiaries and associated companies. • Engaged with our internal valuation specialist to review the appropriateness of the valuation methodologies (ensuring whether they are in line with generally acceptable valuation guidelines and principles) and to validate the key assumptions such as WACC or other key inputs. • Evaluated the assessment made by management with respect to the selection of appropriate comparable listed companies and adjustments to the valuation multiples, such as illiquidity and size of holdings, where comparable market multiples were used. • The following procedures were performed where cash flow techniques were used: – verified the mathematical accuracy of the cash flow models used and checked for internal inconsistency of the models; – assessed management's ability to prepare forecasts by comparing historical forecasts prepared by management against actual realised results; – assessed the reasonableness of the significant inputs and assumptions used in the cash flow forecasts such as growth rates and discount rates; and – challenged the key judgements made by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans. • Reviewed the disclosures about significant estimates and critical judgements made by management in the financial statements in respect of valuation of investment in subsidiaries and investment in associated companies to ensure that the disclosures are in accordance with IFRS 9 Financial instruments and IFRS 13 Fair Value Measurements.

Independent Auditor's Report

TO THE MEMBERS OF ENL LIMITED

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Assessment of impairment of goodwill (Group level only) The carrying amount of goodwill recognised at Group level amounted to Rs929.0 million as at 30 June 2023 and no impairment was recognised in the statements of profit or loss during the year under review. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. The value-in-use calculations use discounted cash flow (DCF) projections based on financial budgets which involve judgement by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins, and operating margins. These factors have made the timing and amount of future cash flows more uncertain, when they were already inherently uncertain. Management has disclosed the accounting judgements and estimates relating to goodwill impairment review in note 8 to the financial statements. These assumptions and estimates can have a material impact on the impairment figure reflected in the consolidated financial statements of the Group. Accordingly, the impairment assessment of goodwill has been considered as a key audit matter.	**Our audit procedures included the following:** • Obtained an understanding, evaluated the design and the operating effectiveness of selected key controls over projections of future income, terminal growth rate assumptions, and discount rates related to the impairment of goodwill. • Involved our internal valuation specialist in validating the appropriateness of the methodology and assumptions used; • In relation to the above, our substantive testing procedures included the following: – Corroborated the justification of the CGUs defined by management for goodwill allocation. • Obtained the Group's discounted cash flow models that support the value-in-use calculations and assessed the following: – the appropriateness of the methodology applied in the Group's annual impairment assessment; – the reasonableness of the significant inputs and the assumptions used including projections on future income, terminal growth rates, discount rates and sensitivity analysis to determine the impact of those assumptions; – management's ability to prepare forecasts by comparing historical forecasts prepared by management against actual realised results; – challenged the key judgements made by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans; – verified the mathematical accuracy of the cash flow models used and checked for internal inconsistency of the models; and • Assessed the appropriateness and completeness of the disclosures in note 8 to the financial statements about significant estimates, critical judgements made by management and sensitivity analysis in respect of the assessment of impairment of goodwill and ensured that all the relevant disclosures are in accordance with IAS 36 Impairment of Assets.

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Independent Auditor's Report

TO THE MEMBERS OF ENL LIMITED

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

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

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.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

Financial Services Commission Circular Letter CL281021

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

ERNST & YOUNG
Ebène, Mauritius

Date: 11 October 2023

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

Statements of Financial Position

AS AT JUNE 30, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**36,397,391**	32,774,763	**689,235**	667,178
Investment properties	6	**25,634,419**	22,032,643	**13,714,086**	12,984,739
Intangible assets	8	**1,813,813**	1,577,127	**430,062**	311,528
Investments in subsidiary companies	9	**-**	-	**23,966,910**	19,326,710
Investments in associated companies	10	**11,016,067**	10,197,339	**1,205,400**	1,217,800
Investments in jointly controlled entities	11	**37,583**	40,783	**-**	-
Financial assets at fair value through other comprehensive income	12(b)	**615,721**	578,211	**90,613**	106,475
Other financial assets at amortised cost	13	**74,749**	82,148	**1,837,818**	1,837,818
Loans and advances	14	**333,100**	1,451,500	**-**	-
Deferred tax assets	23(b)	**217,300**	239,838	**69,002**	73,749
Deferred rent assets	24(b)	**6,382**	4,183	**6,382**	4,183
Employee benefits assets	26	**25,000**	36,200	**-**	-
		76,171,525	69,014,735	**42,009,508**	36,530,180
Current assets					
Inventories	15	**4,305,488**	3,530,573	**-**	-
Consumable biological assets	16	**429,729**	362,625	**-**	-
Loans and advances	14	**300,300**	752,800	**-**	-
Trade and other receivables	17	**2,228,035**	2,294,353	**4,363**	3,899
Assets related to contracts with customers	18	**137,719**	124,119	**-**	-
Amounts receivable from group companies	19	**-**	-	**313,770**	264,249
Other financial assets at amortised cost	13	**1,791,209**	1,457,903	**56,266**	70,369
Financial assets at fair value through profit or loss	12(c)	**41,032**	61,770	**41,032**	61,770
Cash at bank and in hand	40(c)	**5,725,091**	5,245,016	**637,353**	452,566
		14,958,603	13,829,159	**1,052,784**	852,853
Non-current assets classified as held for sale	20(b)	**154,730**	-	**-**	-
Total assets		**91,284,858**	82,843,894	**43,062,292**	37,383,033
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	21(b)	**3,607,987**	3,607,987	**3,607,987**	3,607,987
Treasury shares	21(e)	**(250,000)**	(250,000)	**(250,000)**	(250,000)
Fair value, revaluation and other reserves	37	**19,114,975**	16,771,936	**14,096,797**	10,120,561
Retained earnings		**9,549,557**	8,483,831	**16,757,142**	16,282,772
Equity holders' interests		**32,022,519**	28,613,754	**34,211,926**	29,761,320
Non-controlling interests	9(h)	**17,545,828**	14,990,877	**-**	-
Total equity		**49,568,347**	43,604,631	**34,211,926**	29,761,320
LIABILITIES					
Non-current liabilities					
Borrowings	22	**26,746,350**	24,293,704	**6,296,967**	6,278,562
Liabilities related to contracts with customers	29	**272,900**	226,700	**-**	-
Deferred tax liabilities	23	**1,512,524**	1,026,075	**-**	-
Employee benefits liabilities	26	**1,109,907**	1,061,646	**348,216**	358,336
Deferred income	25	**10,903**	11,569	**-**	-
Other long term payables	27	**76,780**	-	**17,046**	-
		29,729,364	26,619,694	**6,662,229**	6,636,898
Current liabilities					
Trade and other payables	28(b)	**5,574,396**	4,655,769	**94,190**	56,935
Provisions	28(c)	**333,600**	248,200	**-**	-
Liabilities related to contracts with customers	29	**766,617**	773,714	**10,921**	33,980
Amounts payable to group companies	30	**-**	-	**143,757**	34,942
Current tax liabilities	36(b)	**95,404**	129,044	**-**	-
Borrowings	22	**5,029,632**	6,644,094	**1,751,771**	690,210
Dividends payable	38	**187,498**	168,748	**187,498**	168,748
		11,987,147	12,619,569	**2,188,137**	984,815
Total liabilities		**41,716,511**	39,239,263	**8,850,366**	7,621,713
Total equity and liabilities		**91,284,858**	82,843,894	**43,062,292**	37,383,033

These financial statements were approved and authorised for issue by the Board of Directors on 11 October 2023.

Virginie Corneillet
DIRECTOR

Hector Espitalier-Noël
DIRECTOR

The notes on pages 144 to 285 form an integral part of these financial statements.
Independent auditor's report on pages 134 to 137.

Statements of Profit or Loss and Other Comprehensive Income

YEAR ENDED JUNE 30, 2023

	Notes		THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
Continuing operations						
Revenue:						
Revenue from contracts with customers	31(b)		**19,170,651**	15,332,788	**72,269**	69,255
Rental income	31(b)		**1,056,972**	1,695,508	**73,382**	47,846
Commission	31(b)		**469,735**	407,699	**-**	-
Interest income calculated using the effective interest rate (EIR) method	31(b)		**136,900**	214,478	**-**	-
Interest and dividend income	31(b)		**17,548**	17,416	**307,246**	232,818
			20,851,806	17,667,889	**452,897**	349,919
Expenses:						
Cost of sales	33(a)		**(11,429,207)**	(10,594,825)	**-**	-
Other operating expenses	32(a)		**(1,712,278)**	(1,517,758)	**(94,848)**	(85,586)
Interest expense - consumer finance business	34		**(26,000)**	(19,100)	**-**	-
Administrative expenses	32(b)		**(5,166,911)**	(3,905,826)	**(330,822)**	(268,730)
(Increase)/reversal of loss allowance on financial assets			**(64,700)**	54,700	**(768)**	(228)
Fair value gain on investment properties	6		**949,471**	657,082	**1,119,186**	298,152
Fair value movement in consumable biological assets	16		**68,046**	(8,590)	**-**	-
Operating profit			**3,470,227**	2,333,572	**1,145,645**	293,527
Fair value (loss)/gain on financial assets at fair value through profit or loss	12(c)		**(20,970)**	6,684	**(20,970)**	6,684
Profit on disposal of land, investment properties and investments	33(b)		**19,222**	19,722	**168,454**	364,487
Bargain purchase	33(f)		**53,000**	-	**-**	-
Profit on capital reduction of investment in subsidiaries			**-**	-	**-**	6,759
Compensation for excess contribution to interchange	33(d)		**-**	-	**-**	33,000
Loss realised on the fair value of contingent consideration	33(c)		**-**	(200)	**-**	-
Settlement of pre-existing obligations	33(e)		**-**	(41,308)	**-**	-
Share of profit recognised of associated companies and jointly controlled entities, net of tax	10(b),11(b)		**1,564,922**	554,435	**-**	-
Finance costs	34		**(1,641,156)**	(1,154,219)	**(439,555)**	(320,837)
Profit before taxation	35		**3,445,245**	1,718,686	**853,574**	383,620
Taxation	36(a)		**(453,759)**	(126,572)	**(5,060)**	(2,523)
Profit for the year from continuing operations			**2,991,486**	1,592,114	**848,514**	381,097
Discontinued operations						
Profit for the year from discontinued operations	49		**11,300**	33,700	**-**	-
Profit for the year			**3,002,786**	1,625,814	**848,514**	381,097
Other comprehensive income for the year:						
Items that will not be reclassified to profit or loss:						
Gain on revaluation of property, plant and equipment, net of tax			**3,909,663**	813,671	**26,547**	-
Remeasurement of employee benefits liabilities, net of tax			**(18,019)**	(49,688)	**(7,184)**	(21,304)
Change in fair value of equity instruments at fair value through other comprehensive income	9(b), 10(g), 12(b)		**(22,125)**	141,827	**3,976,354**	5,070,100
			3,869,519	905,810	**3,995,717**	5,048,796
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences			**(55,642)**	40,755	**-**	-
Share of other comprehensive income of associated companies and jointly controlled entities	10(b), 11(b)		**(219,528)**	992,309	**-**	-
			(275,170)	1,033,064	**-**	-
Other comprehensive income for the year, net of tax			**3,594,349**	1,938,874	**3,995,717**	5,048,796
Total comprehensive income for the year			**6,597,135**	3,564,688	**4,844,231**	5,429,893
Profit attributable to:						
Owners of the company						
-continuing operations			**1,705,340**	826,311	**848,514**	381,097
-discontinued operations			**3,942**	15,052	**-**	-
Non-controlling interests			**1,293,504**	784,451	**-**	-
			3,002,786	1,625,814	**848,514**	381,097
Total comprehensive income attributable to:						
Owners of the company			**4,064,172**	2,398,959	**4,844,231**	5,429,893
Non-controlling interests			**2,532,963**	1,165,729	**-**	-
			6,597,135	3,564,688	**4,844,231**	5,429,893
Earnings per share from continuing operations	39	Rs.	**4.55**	2.20	**2.26**	1.02
Earnings per share from discontinued operations	39	Rs.	**0.01**	0.04	**-**	-

The notes on pages 144 to 285 form an integral part of these financial statements.
Independent auditor's report on pages 134 to 137.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

		Attributable to owners of the parent									
				Holding company and subsidiaries		Associated companies	Holding company and subsidiaries	Associated companies			
THE GROUP	Notes	Stated capital	Treasury shares	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Retained earnings		Total	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2022		3,607,987	(250,000)	15,237,390	85,994	1,448,552	7,142,352	1,341,479	28,613,754	14,990,877	43,604,631
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	-	-	64,787	64,787
Capital reduction by subsidiary company to non-controlling shareholders		-	-	-	-	-	-	-	-	(90,838)	(90,838)
Convertible bond issued to non-controlling shareholders		-	-	-	-	-	-	-	-	646,000	646,000
Effect of change in ownership interest not resulting in loss of control	9(f)	-	-	-	-	291	36,296	-	36,587	12,149	48,736
Transfer on disposal of land and investments		-	-	(549)	(25,800)	-	26,349	-	-	-	-
Movement in reserves		-	-	-	-	(177,054)	7,412	(147,356)	(316,998)	(103,954)	(420,952)
Profit for the year		-	-	-	-	-	721,515	987,767	1,709,282	1,293,504	3,002,786
Other comprehensive income for the year		-	-	2,548,375	(52,448)	50,224	(29,941)	(161,320)	2,354,890	1,239,459	3,594,349
Dividends	38	-	-	-	-	-	(374,996)	-	(374,996)	-	(374,996)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	-	-	(506,156)	(506,156)
Balance at June 30, 2023		**3,607,987**	**(250,000)**	**17,785,216**	**7,746**	**1,322,013**	**7,528,987**	**2,020,570**	**32,022,519**	**17,545,828**	**49,568,347**

The notes on pages 144 to 285 form an integral part of these financial statements.

Independent auditor's report on pages 134 to 137.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

		Attributable to owners of the parent									
				Holding company and subsidiaries		Associated companies	Holding company and subsidiaries	Associated companies			
THE GROUP	Notes	Stated capital	Treasury shares	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Retained earnings		Total	Non-controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2021		3,607,987	(250,000)	14,511,858	(27,361)	808,516	6,921,163	950,223	26,522,386	14,533,455	41,055,841
Issue of shares to non-controlling shareholders		-	-	-	-	-	-	-	-	274,474	274,474
Capital reduction by subsidiary company to non-controlling interests		-	-	-	-	-	-	-	-	(109,005)	(109,005)
Effect of change in ownership interest not resulting in loss of control	9(f)	-	-	6,595	-	-	(14,189)	-	(7,594)	(569,404)	(576,998)
Transfer on disposal of land and investments		-	-	(19,687)	-	-	19,687	-	-	-	-
Profit for the year		-	-	-	-	-	567,138	274,225	841,363	784,451	1,625,814
Other comprehensive income for the year		-	-	738,624	113,355	640,036	(51,450)	117,031	1,557,596	381,278	1,938,874
Dividends	38	-	-	-	-	-	(299,997)	-	(299,997)	-	(299,997)
Dividends paid by subsidiaries and associated companies to non-controlling shareholders		-	-	-	-	-	-	-	-	(304,372)	(304,372)
Balance at June 30, 2022		3,607,987	(250,000)	15,237,390	85,994	1,448,552	7,142,352	1,341,479	28,613,754	14,990,877	43,604,631

The notes on pages 144 to 285 form an integral part of these financial statements.

Independent auditor's report on pages 134 to 137.

Statements of Changes in Equity

YEAR ENDED JUNE 30, 2023

THE COMPANY	Notes	Stated capital	Treasury shares	Revaluation reserves	Fair value reserves	Retained earnings	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Balance at July 1, 2022		**3,607,987**	**(250,000)**	**1,114,125**	**9,006,436**	**16,282,772**	**29,761,320**
Profit for the year		**-**	**-**	**-**	**-**	**848,514**	**848,514**
Transfer on capital reduction on investment in subsidiary company		**-**	**-**	**-**	**(26,665)**	**26,665**	**-**
Release on capital reduction on investment in subsidiary company	9	**-**	**-**	**-**	**-**	**(26,040)**	**(26,040)**
Other comprehensive income for the year		**-**	**-**	**26,547**	**3,976,354**	**(7,184)**	**3,995,717**
Dividends	38	**-**	**-**	**-**	**-**	**(374,996)**	**(374,996)**
Movement in reserves		**-**	**-**	**-**	**-**	**7,411**	**7,411**
Balance at June 30, 2023		**3,607,987**	**(250,000)**	**1,140,672**	**12,956,125**	**16,757,142**	**34,211,926**
Balance at July 1, 2021		3,607,987	(250,000)	1,114,125	3,929,577	16,229,735	24,631,424
Profit for the year		-	-	-	-	381,097	381,097
Transfer on capital reduction on investment in subsidiary company		-	-	-	6,759	(6,759)	-
Other comprehensive income for the year		-	-	-	5,070,100	(21,304)	5,048,796
Dividends	38	-	-	-	-	(299,997)	(299,997)
Balance at June 30, 2022		3,607,987	(250,000)	1,114,125	9,006,436	16,282,772	29,761,320

The notes on pages 144 to 285 form an integral part of these financial statements.

Independent auditor's report on pages 134 to 137.

Statements of Cash Flows

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Operating activities					
Cash generated from/(used in) operations	40(a)	**3,365,385**	3,530,895	**(94,613)**	10,056
Interest paid - consumer finance business	34(b)	**(26,000)**	(19,100)	**-**	-
Interest received - consumer finance business		**150,000**	211,400	**-**	-
Tax paid	36(b)	**(196,495)**	(151,994)	**-**	-
Net cash generated from/(used in) operating activities		**3,292,890**	3,571,201	**(94,613)**	10,056
Investing activities					
Purchase of property, plant and equipment		**(1,510,510)**	(922,365)	**(23,058)**	(6,631)
Purchase of intangible assets		**(241,241)**	(127,006)	**(71,704)**	(25,000)
Purchase of investment properties		**(1,334,952)**	(1,336,068)	**(41,019)**	(26,978)
Purchase of shares in subsidiary companies		**-**	(64,021)	**(479,448)**	(440,081)
Purchase of financial assets at fair value through other comprehensive income		**(59,392)**	(414,121)	**-**	-
Purchase of financial assets at fair value through profit or loss		**-**	-	**-**	(1,000)
Purchase of investment in associated companies		**(31,939)**	(3,010)	**-**	-
Acquisition of subsidiaries	44(a)	**17,800**	(12,500)	**-**	-
Proceeds from disposal of subsidiaries	49(d)	**126,600**	-	**-**	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		**17,700**	75,172	**776**	-
Proceeds from disposal of property, plant and equipment		**131,545**	123,580	**2,014**	2,759
Proceeds from disposal of investment properties		**5,115**	13,526	**607,930**	763,173
Purchase of bearer biological assets		**(42,324)**	(29,531)	**-**	-
Capital reduction from investments		**2,137**	892	**100,000**	25,554
Loans granted		**(87,195)**	(95,108)	**(1,027,049)**	(618,172)
Loans refunded		**18,632**	49,380	**859,245**	978,914
Interest received		**34,645**	14,104	**63,125**	58,138
Dividend received		**3,804**	-	**3,804**	-
Net cash (used in)/generated from investing activities		**(2,949,575)**	(2,727,076)	**(5,384)**	710,676
Financing activities					
Issue of shares to non-controlling shareholders		**762,197**	313,600	**-**	-
Capital reduction by subsidiary companies attributable to non-controlling shareholders		**(98,186)**	(117,824)	**-**	-
Proceeds from borrowings		**7,773,062**	10,753,359	**1,652,419**	499,750
Payments on borrowings		**(6,098,290)**	(8,864,087)	**(610,902)**	(806,064)
Principal payments on lease liabilities		**(241,317)**	(262,953)	**(5,993)**	(7,539)
Interest paid		**(1,574,864)**	(1,140,036)	**(394,840)**	(317,403)
Dividends paid		**(356,247)**	(318,747)	**(356,247)**	(318,747)
Dividends paid by subsidiaries to non-controlling shareholders		**(529,643)**	(292,977)	**-**	-
Net cash (used in)/generated from financing activities		**(363,288)**	70,335	**284,437**	(950,003)
(Decrease)/increase in cash and cash equivalents		**(19,973)**	914,460	**184,440**	(229,271)
Movement in cash and cash equivalents					
At July 1,		**4,026,764**	3,112,103	**452,566**	681,868
Effects of exchange rate changes		**(2,883)**	201	**347**	(31)
(Decrease)/increase in cash and cash equivalents		**(19,973)**	914,460	**184,440**	(229,271)
At June 30,	40(c)	**4,003,908**	4,026,764	**637,353**	452,566

The notes on pages 144 to 285 form an integral part of these financial statements.

Independent auditor's report on pages 134 to 137.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 and in respective applicable notes. Therefore, the financial statements continue to be prepared on a going concern basis.

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

The group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2022 (unless otherwise stated). The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated financial statements of the group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

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

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

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

The group applied these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT’D)

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

New and amended standards and interpretations (cont’d)

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB’s Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

These amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

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

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

The group applied the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments do not have a material impact on the group.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

The amendments do not have a material impact on the group.

Illustrative Examples accompanying IFRS 16 Leases

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

Standards issued but not yet effective

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

IFRS 17 Insurance Contracts

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

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

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

The group has a significant influence in an associated company which operates in both life and general insurance. However, the amendments do not have a material impact on the group.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

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

Standards issued but not yet effective (cont'd)

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

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

The amendments are effective for annual reporting beginning on or after January 1, 2024 and must be applied retrospectively.

The group is currently assessing the impact of these amendments.

Definition of Accounting Estimates - Amendments to IAS 8

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

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

The amendments do not have a material impact on the group.

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

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

The amendments do not have a material impact on the group.

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

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

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

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

The group is currently assessing the impact of these amendments.

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

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

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

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

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

The amendments do not have a material impact on the group.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

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

Standards issued but not yet effective (cont'd)

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact must be disclosed. The group is currently assessing the impact of these amendments.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed. The group is currently assessing the impact of these amendments.

International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes' respectively.

The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The amendments do not have a material impact on the group.

2.3 Summary of accounting policies

(a) **Financial instruments**

(i) **Financial assets**

Classification of financial assets

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) **Financial instruments (cont'd)**

(i) **Financial assets (cont'd)**

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to note 31(b) - Revenue from contracts with customers.

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

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

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

Subsequent Measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

Amortised cost and effective interest method

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

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit – impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest 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.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

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

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

- Significant increase in credit risk

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

- Definition of default

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

- Write off policy

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

Recognition of expected credit losses

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

(ii) **Financial liabilities**

Initial recognition and measurement

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

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

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

Subsequent measurement

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

- Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings, trade and other payables and amount due to holding company. For more information, refer to notes 14, 22 and 28.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(a) **Financial instruments (cont'd)**

(ii) **Financial liabilities (cont'd)**

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

Derecognition of financial assets

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

Derecognition of financial liabilities

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

(iv) **Offsetting financial instruments**

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

(v) **Fair value of financial instruments**

Determination of fair value

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(b) **Cash and cash equivalents**

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

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

(c) **Taxation**

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

Current income tax

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

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

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

(d) **Provisions**

General

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

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

Warranty provisions

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

Restructuring provisions

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

Decommissioning liability

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

Onerous contract

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

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

2. ACCOUNTING POLICIES (CONT'D)

2.3 Summary of accounting policies (cont'd)

(e) **Foreign currencies**

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

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

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

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

(f) **Impairment of non-financial assets**

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

(g) **Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The group classifies all other liabilities as non-current.

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

3. FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

3.1 Financial risk factors

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

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

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

(a) **Market risk**

(i) **Currency risk**

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

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

	THE GROUP					THE COMPANY
	EURO	USD	GBP	Rs	Total	Rs
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2023						
Non current financial assets	**-**	**68,300**	**-**	**955,270**	**1,023,570**	**1,928,431**
Non current financial liabilities	**(315,400)**	**(67,000)**	**-**	**(26,440,730)**	**(26,823,130)**	**(6,314,013)**
Long term exposure	**(315,400)**	**1,300**	**-**	**(25,485,460)**	**(25,799,560)**	**(4,385,582)**
Current financial assets	**874,831**	**791,316**	**67,400**	**8,489,839**	**10,223,386**	**1,052,784**
Current financial liabilities	**(231,867)**	**(584,046)**	**-**	**(11,171,234)**	**(11,987,147)**	**2,188,137**
Short term exposure	**642,964**	**207,270**	**67,400**	**(2,681,395)**	**(1,763,761)**	**3,240,921**
Total exposure	**327,564**	**208,570**	**67,400**	**(28,166,855)**	**(27,563,321)**	**(1,144,661)**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

3.1 Financial risk factors (cont'd)

(a) **Market risk (cont'd)**

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

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

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Euro	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit for the year (+ / -)	**3,276**	(7,715)	**-**	-
Equity (+ / -)	**3,276**	(7,715)	**-**	-
USD				
Profit for the year (+ / -)	**2,086**	(1,546)	**-**	-
Equity (+ / -)	**2,086**	(1,546)	**-**	-
GBP				
Profit for the year (+ / -)	**674**	687	**-**	-
Equity (+ / -)	**674**	687	**-**	-

The group uses forward contracts, whenever possible, to hedge its exposure to foreign currency risk. Each subsidiary is responsible for hedging the net position in each currency by using currency borrowings.

Derivative financial instruments

At June 30, 2023, the group had foreign exchange contracts for a notional amount of Rs.590.9m (2022: Rs.nil) and a corresponding derivative liability with a fair value of Rs.15.0m (2022: Rs.nil).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

3.1 Financial risk factors (cont'd)

(a) **Market risk (cont'd)**

(ii) ***Price risk***

Equity

The group and the company are exposed to equity securities price risk mainly because of investments in equity listed companies on the Stock Exchange of Mauritius. The investments are held for medium term and are exposed to fluctuations in the equity market. A 5% increase/(decrease) in the relevant equity prices will increase/(decrease) the group's and company's equity by Rs.7.2m (2022: Rs.9.1m) and Rs.6.0m (2022: Rs.7.8m) respectively and will increase/(decrease) the group's and company's profit before tax by Rs1.9m (2022: Rs.3.0m) and Rs.1.9m (2022: Rs.3.0m) respectively.

Our process as regards to the risk associated with these investments is a monitoring of the entities' annual financial performance and the analysis of their return on investment.

Commercial

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

(iii) ***Cash flow interest risk***

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

At June 30, 2023, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been lower/higher mainly as a result of higher/lower interest expense on floating rate borrowings as shown below:

Rupee-denominated borrowings	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Effect higher/lower interest expense on post tax profit and equity	**122,319**	119,033	**31,860**	30,193

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

(b) **Credit risk**

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

In view of managing its credit risk, the group establishes credit policy whereby new customers are analysed for credit worthiness for each business activity before offering any standard payment delivery terms and conditions. Customers that fail to meet the group's benchmark credit worthiness may transact with the group upon lodging of a bank guarantee or a security document or prepaid basis. The subsidiary companies have no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The company makes advances and loans to group companies with sound financial background. Further disclosures on credit risk and expected credit losses ("ECL") are provided in the following notes: Note 13 – Other financial assets at amortised cost, Note 14 - Loans and advances, Note 18 – Assets related to contracts with customers, Note 17 – Trade and other receivables and Note 40(c) - Cash and cash equivalents.

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

For further details on the risk management policies and committees in place, refer to part 2.4.1 of the corporate governance report.

(c) **Liquidity risk**

Liquidity risk is the risk that the group encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities from financial institutions. Due to the dynamic nature of the underlying businesses, group treasury aims at maintaining flexibility in funding by keeping committed credit facilities with banks. The group monitors rolling forecasts of its liquidity reserve on the basis of expected future cash flows.

At June 30, 2023, the company has a net current liability position of Rs.1,135m (2022: Rs.132m) mainly due to the raised a bond of Rs.1.4bn raised on August 10, 2022 repayable between 8-15 years.

At June 30, 2023, the company also had unutilised bank overdraft facilities.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

3.1 Financial risk factors (cont'd)

(c) **Liquidity risk (cont'd)**

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

THE GROUP	Carrying amount	Less than one year	After one year and before two years	After two years and before five years	After five years	Contractual undiscounted payments
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2023						
Bank overdrafts	**1,721,183**	**1,721,183**	**-**	**-**	**-**	**1,721,183**
Bank and other loans	**12,380,891**	**1,935,408**	**1,409,120**	**4,428,823**	**8,563,014**	**16,336,365**
Bond notes	**5,262,577**	**1,753,984**	**221,022**	**1,858,477**	**3,101,261**	**6,934,744**
Secured fixed and variable rate notes	**4,822,715**	**342,600**	**1,320,700**	**1,300,200**	**2,644,315**	**5,607,815**
Debentures	**1,062,805**	**124,400**	**131,800**	**1,027,905**	**-**	**1,284,105**
Lease liabilities	**1,211,911**	**285,349**	**350,783**	**498,526**	**160,065**	**1,294,723**
Redeemable notes	**4,743,000**	**296,900**	**296,900**	**1,476,900**	**3,222,100**	**5,292,800**
Convertible bonds	**257,200**	**19,500**	**19,500**	**58,500**	**175,000**	**272,500**
Liabilities at fair value through profit or loss	**313,700**	**13,000**	**13,000**	**39,000**	**357,700**	**422,700**
Trade and other payables	**5,574,396**	**5,574,396**	**-**	**-**	**-**	**5,574,396**
Provisions	**333,600**	**333,600**	**-**	**-**	**-**	**333,600**
Dividends payable	**187,498**	**187,498**	**-**	**-**	**-**	**187,498**
	37,871,476	**12,587,818**	**3,762,825**	**10,688,331**	**18,223,455**	**45,262,429**
June 30, 2022						
Bank overdrafts	1,218,252	1,218,252	-	-	-	1,218,252
Bank and other loans	13,072,117	3,305,809	1,816,983	3,863,813	6,283,938	15,270,543
Bond notes	3,564,786	248,173	1,496,198	1,559,329	841,351	4,145,051
Secured fixed and variable rate notes	5,819,530	1,160,145	138,745	1,745,590	1,684,649	4,729,130
Debentures	954,905	116,400	124,400	855,400	262,305	1,358,505
Lease liabilities	1,125,708	234,854	332,572	327,833	357,853	1,253,112
Redeemable notes	4,741,000	195,400	196,000	1,176,300	4,991,800	6,559,500
Convertible bonds	116,500	19,500	19,500	58,500	185,700	283,200
Liabilities at fair value through profit or loss	325,000	13,000	13,000	39,000	357,700	422,700
Trade and other payables	4,655,769	4,655,769	-	-	-	4,655,769
Provisions	248,200	248,200	-	-	-	248,200
Dividends payable	168,748	168,748	-	-	-	168,748
	36,010,515	11,584,250	4,137,398	9,625,765	14,965,296	40,312,710

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

3.1 Financial risk factors (cont'd)

(c) **Liquidity risk (cont'd)**

THE COMPANY	Carrying amount	Less than one year	After one year and before two years	After two years and before five years	After five years	Contractual undiscounted payments
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2023						
Bank and other loans	**2,777,040**	**443,991**	**426,953**	**1,127,811**	**1,659,076**	**3,657,831**
Bond notes	**5,262,577**	**1,753,984**	**221,022**	**1,858,477**	**3,101,261**	**6,934,744**
Lease liabilities	**9,121**	**5,803**	**181**	**561**	**10,584**	**17,129**
Trade and other payables	**94,190**	**94,190**	**-**	**-**	**-**	**94,190**
Dividends payable	**187,498**	**187,498**	**-**	**-**	**-**	**187,498**
	8,330,426	**2,485,466**	**648,156**	**2,986,849**	**4,770,921**	**10,891,392**
June 30, 2022						
Bank and other loans	3,388,669	710,285	383,862	1,085,691	1,891,180	4,071,018
Bond notes	3,564,786	248,173	1,496,198	1,559,329	841,351	4,145,051
Lease liabilities	15,317	6,895	5,824	552	10,774	24,045
Trade and other payables	56,935	56,935	-	-	-	56,935
Dividends payable	168,748	168,748	-	-	-	168,748
	7,194,455	1,191,036	1,885,884	2,645,572	2,743,305	8,465,797

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

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

(i) Regulatory and environmental risk

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

(ii) Price risk

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

(iii) Demand and supply risk

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

(iv) Climate and other risk

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

3.2 Fair value estimation

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

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, net asset basis and dividend yield where applicable and makes assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 3. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The carrying amount of the financial assets would be an estimated Rs.1,364m (2022: Rs.1,196m) for the group and Rs.266m (2022: Rs.215m) for the company higher/lower in the event their fair values were increased/decreased by 5%. The fair value of those financial assets and liabilities not presented on the group's statements of financial position at their fair values are not materially different from their carrying amounts.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

3.3 Capital risk management

The group's objectives when managing capital are:

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

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

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

The net debt-to-adjusted capital ratios at June 30, 2023 and at June 30, 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debts	**32,815,499**	31,938,212	**8,059,659**	7,002,752
Cash and bank balances	**(5,725,091)**	(5,245,016)	**(637,353)**	(452,566)
Net debts	**27,090,408**	26,693,196	**7,422,306**	6,550,186
Total equity	**49,568,347**	43,604,631	**34,211,926**	29,761,320
Debt-to-adjusted capital ratio	**0.547**	0.612	**0.217**	0.220

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

(i) **Judgements**

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

Subsidiaries are all entities, including structured entities, over which the group has control. The group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For entities where effective holding is less than 50%, management ensures that control is exercised through board representations.

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

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

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

Note 50 Going concern: Whether the company has adequate resources to continue in operation for a period of 12 months from the date of approval of the financial statements.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(ii) **Assumptions and estimation uncertainties**

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

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

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

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

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

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

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

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

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

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

Limitation of sensitivity analysis

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

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

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

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

Note 3.2 Fair value estimation: sensitivity analysis;

Note 12 Investments in financial assets: sensitivity analysis;

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

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

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

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

Impairment of financial assets

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT

(a) **Accounting policy**

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

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

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

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

Land is not depreciated.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time that is required to complete and prepare the asset for its intended use, as part of the cost of the asset. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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

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

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

The group accounts for land and buildings at fair value based on revaluation exercise carried out by qualified independent professional valuers on a periodic basis, normally every 3 years unless there are significant changes in market conditions which would require more frequent revaluations. The latest valuation was performed in June 2023.

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

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

(a)(i) Items of property, plant and equipment include:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment (see notes (b) and (c))	**35,378,518**	31,716,330	**682,353**	656,000
Right of use assets (see note (e))	**1,018,873**	1,058,433	**6,882**	11,178
At June 30,	**36,397,391**	32,774,763	**689,235**	667,178

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(b) THE GROUP

	Freehold land	Buildings & yard	Machinery & equipment	Motor vehicles	Furniture, fittings & others	Bearer plants	Assets under construction	Total
(i) **2023**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION								
At July 1,	**16,748,806**	**14,243,405**	**3,293,487**	**771,002**	**913,185**	**759,115**	**609,740**	**37,338,740**
Additions	**275,026**	**225,263**	**348,715**	**181,360**	**93,675**	**114,133**	**738,796**	**1,976,968**
Borrowing costs capitalised*	**-**	**-**	**-**	**-**	**-**	**-**	**1,505**	**1,505**
Acquisition through business combination	**-**	**28,000**	**24,200**	**900**	**-**	**-**	**-**	**53,100**
On deconsolidation of subsidiaries**	**-**	**-**	**(42,000)**	**(86,200)**	**-**	**-**	**-**	**(128,200)**
Disposals	**(232,333)**	**(31,871)**	**(93,773)**	**(126,112)**	**(7,301)**	**-**	**-**	**(491,390)**
Assets written off	**-**	**(4,919)**	**(19,800)**	**(3,869)**	**-**	**-**	**-**	**(28,588)**
Revaluation adjustment	**1,390,295**	**2,030,927**	**-**	**-**	**-**	**-**	**-**	**3,421,222**
Transfer****	**-**	**(863,200)**	**-**	**-**	**-**	**-**	**-**	**(863,200)**
Transfer from right of use assets (note 5(e))	**-**	**-**	**-**	**37,327**	**-**	**-**	**-**	**37,327**
Transfer to investment properties (note 6)***	**(1,319,123)**	**(38,798)**	**-**	**-**	**-**		**-**	**(1,357,921)**
Transfer from/(to) other categories	**-**	**9,815**	**6,031**	**-**	**-**	**-**	**(15,846)**	**-**
Transfer to non-current assets held for sale (note 20(b))	**(154,730)**	**-**	**-**	**-**	**-**	**-**	**-**	**(154,730)**
Translation difference	**-**	**(8,300)**	**(24,900)**	**(3,700)**	**-**	**-**	**-**	**(36,900)**
At June 30,	**16,707,941**	**15,590,322**	**3,491,960**	**770,708**	**999,559**	**873,248**	**1,334,195**	**39,767,933**
DEPRECIATION								
At July 1,	**-**	**1,549,222**	**2,675,232**	**538,683**	**311,704**	**547,569**	**-**	**5,622,410**
On deconsolidation of subsidiaries**	**-**	**-**	**(32,100)**	**(22,300)**	**-**	**-**	**-**	**(54,400)**
Charge for the year	**-**	**224,272**	**286,848**	**85,153**	**80,801**	**36,931**	**-**	**714,005**
Disposals	**-**	**(5,645)**	**(94,183)**	**(122,770)**	**(5,662)**	**-**	**-**	**(228,260)**
Assets written off	**-**	**(4,919)**	**(7,300)**	**(3,869)**	**-**	**-**	**-**	**(16,088)**
Transfer****	**-**	**(863,200)**	**-**	**-**	**-**	**-**	**-**	**(863,200)**
Transfer from right of use assets (note 5(e))	**-**	**-**	**-**	**27,925**	**-**	**-**	**-**	**27,925**
Revaluation adjustment	**-**	**(795,877)**	**-**	**-**	**-**	**-**	**-**	**(795,877)**
Translation difference	**-**	**(400)**	**(14,900)**	**(1,800)**	**-**	**-**	**-**	**(17,100)**
At June 30,	**-**	**103,453**	**2,813,597**	**501,022**	**386,843**	**584,500**	**-**	**4,389,415**
NET BOOK VALUES								
At June 30,	**16,707,941**	**15,486,869**	**678,363**	**269,686**	**612,716**	**288,748**	**1,334,195**	**35,378,518**

* The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.75% which is the effective interest rate of the specific borrowing.

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

*** During the year, several portions of land have been reclassified from property, plant and equipment to investment properties following change in use; land is now held for capital appreciation instead of own use.

**** This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(b) THE GROUP (CONT'D)

(ii) 2022	Freehold land Rs'000	Buildings & yard Rs'000	Machinery & equipment Rs'000	Motor vehicles Rs'000	Furniture, fittings & others Rs'000	Bearer plants Rs'000	Assets under construction Rs'000	Total Rs'000
COST AND VALUATION								
At July 1,	17,158,737	13,411,239	3,213,961	699,036	820,676	698,078	423,134	36,424,861
Additions	703,681	365,397	243,529	150,186	101,223	61,141	186,606	1,811,763
On deconsolidation of subsidiaries	-	-	(6,900)	(600)	-	-	-	(7,500)
Disposals	(641,172)	(159,585)	(156,003)	(111,040)	(8,714)	-	-	(1,076,514)
Assets written off	-	(23,300)	(12,200)	-	-	-	-	(35,500)
Revaluation adjustment	225,126	588,649	-	-	-	(104)	-	813,671
Transfer from right of use assets (note 5(e))	-	-	16,800	33,520	-	-	-	50,320
Transfer to inventories	(697,566)	-	-	-	-	-	-	(697,566)
Transfer from investment properties (note 6)	-	49,205	-	-	-	-	-	49,205
Transfer from intangible assets (note 8)	-	9,500	-	-	-	-	-	9,500
Translation difference	-	2,300	(5,700)	(100)	-	-	-	(3,500)
At June 30,	16,748,806	14,243,405	3,293,487	771,002	913,185	759,115	609,740	37,338,740
DEPRECIATION								
At July 1,	-	1,328,426	2,517,029	513,487	263,125	517,508	-	5,139,575
On deconsolidation of subsidiaries	-	-	(4,600)	(300)	-	-	-	(4,900)
Charge for the year	-	218,796	283,569	87,853	54,036	30,061	-	674,315
Disposals	-	-	(123,766)	(89,673)	(5,457)	-	-	(218,896)
Assets written off	-	-	(8,900)	-	-	-	-	(8,900)
Transfer from right of use assets (note 5(e))	-	-	12,100	27,316	-	-	-	39,416
Translation difference	-	2,000	(200)	-	-	-	-	1,800
At June 30,	-	1,549,222	2,675,232	538,683	311,704	547,569	-	5,622,410
NET BOOK VALUES								
At June 30,	16,748,806	12,694,183	618,255	232,319	601,481	211,546	609,740	31,716,330

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(b) THE GROUP (CONT'D)

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

(iv) The group's and the company's land and buildings were revalued by qualified independent professional valuers in 2023. The valuations were made on the basis of open market value and replacement costs as appropriate.

The techniques used are as follows:

- Where there are a significant number of similar transactions on the market, the market sales comparison approach are usually based upon to determine the open market values of both the land, freehold or leasehold and the buildings as well as the built-up improvements.
- For properties which are not regularly transacted on the open market, more particularly specialised properties, the income approach and depreciated replacement cost approach are used for the buildings and built-up improvements and the market sales comparison approach for the land component.

(v) **The group and the company**

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

2023	**THE GROUP** Level 3 Rs'000	**THE COMPANY** Level 3 Rs'000
Freehold land	**16,707,941**	**609,391**
Buildings & yard	**15,486,869**	**26,424**
Total	**32,194,810**	**635,815**

2022	**THE GROUP** Level 3 Rs'000	**THE COMPANY** Level 3 Rs'000
Freehold land	16,748,806	606,699
Buildings & yard	12,694,183	26,967
Total	29,442,989	633,666

Freehold land and buildings and yard are disclosed as level 3 in the current year (2022: level 3).

The different levels have been defined as follows:

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

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

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

(vi) The movement in level 3 fair value measurement for the year ended June 30, 2023 and 2022 are disclosed in the note (b) (i) & (ii) for the group and in the note (c) (i) & (ii) for the company.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(b) THE GROUP (CONT'D)

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

The group and the company

Information about fair value measurements using significant unobservable inputs (level 3) for both the group and the company are as follows:

Description	Significant unobservable inputs
Buildings	Prices per square foot for buildings 2023: Rs.390 - 12,000 (2022: Rs.52 - 12,000)
Land	Prices per arpents of land 2023: Rs.0.5m - Rs.44.6m (2022: Rs.0.5m - Rs.44.6m)

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

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

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

Price per square foot for buildings

Increase of 0.5% in rate per square foot for buildings would increase fair value gain by Rs.14.1m (2022: Rs.2.9m) for the group and by Rs.0.03m (2022: Rs.nil) for the company.

Decrease of 0.5% in per square foot for buildings would decrease fair value gain by Rs.14.1m (2022: Rs.2.9m) for the group and by Rs.0.03m (2022: Rs.nil) for the company.

Price per arpent of land

Increase of 0.5% in rate per arpent of land would increase fair value gain by Rs.7m (2022: Rs.1.1m) for the group and by Rs.0.14m (2022: Rs.nil) for the company.

Decrease of 0.5% in rate per arpent of land would decrease fair value gain by Rs.7m (2022: Rs.1.1m) for the group and by Rs.0.14m (2022: Rs.nil) for the company.

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

	Freehold land	Buildings & yard	Total
2023	**Rs'000**	**Rs'000**	**Rs'000**
Cost	**654,380**	**5,575,668**	**6,230,048**
Accumulated depreciation	**-**	**(2,157,498)**	**(2,157,498)**
Net book values	**654,380**	**3,418,170**	**4,072,550**
2022			
Cost	379,354	5,389,203	5,768,557
Accumulated depreciation	-	(1,933,226)	(1,933,226)
Net book values	379,354	3,455,977	3,835,331

(ix) Depreciation charge of Rs.603m and Rs.111m (2022: Rs.589.2m and Rs.85.1m) has been charged to other operating expenses and to cost of sales respectively. Those charged to cost of sales are directly attributable to production activity.

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(c) THE COMPANY

	Land	Buildings	Improvement to leasehold buildings	Agricultural equipment	Transport equipment	Motor vehicles	Furniture & fittings	Office equipment	Work-in-progress	Total
(i) **2023**	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST AND VALUATION										
At July 1,	**606,699**	**40,471**	**2,087**	**21,972**	**40,466**	**12,928**	**2,574**	**12,386**	**-**	**739,583**
Additions	**-**	**-**	**322**	**-**	**-**	**12,241**	**-**	**6,770**	**11,326**	**30,659**
Disposals	**-**	**-**	**-**	**-**	**(25,014)**	**(4,853)**	**-**	**-**	**-**	**(29,867)**
Assets written off	**-**	**(4,919)**	**-**	**-**	**(3,869)**	**-**	**-**	**-**	**-**	**(8,788)**
Transfer to investment properties (note 6)	**(18,200)**	**(7,074)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(25,274)**
Revaluation adjustment	**20,892**	**282**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,174**
At June 30,	**609,391**	**28,760**	**2,409**	**21,972**	**11,583**	**20,316**	**2,574**	**19,156**	**11,326**	**727,487**
DEPRECIATION										
At July 1,	**-**	**13,504**	**657**	**11,171**	**40,466**	**6,583**	**2,109**	**9,093**	**-**	**83,583**
Charge for the year	**-**	**803**	**214**	**555**	**-**	**2,872**	**197**	**2,617**	**-**	**7,258**
Disposal adjustments	**-**	**-**	**-**	**-**	**(25,014)**	**(4,853)**	**-**	**-**	**-**	**(29,867)**
Assets written off	**-**	**(4,919)**	**-**	**-**	**(3,869)**	**-**	**-**	**-**	**-**	**(8,788)**
Transfer to investment properties (note 6)	**-**	**(521)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(521)**
Revaluation adjustment	**-**	**(6,531)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,531)**
At June 30,	**-**	**2,336**	**871**	**11,726**	**11,583**	**4,602**	**2,306**	**11,710**	**-**	**45,134**
NET BOOK VALUES										
At June 30,	**609,391**	**26,424**	**1,538**	**10,246**	**-**	**15,714**	**268**	**7,446**	**11,326**	**682,353**

Land and buildings are classified under level 3.

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(c) THE COMPANY (CONT'D)

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

	Freehold land	Buildings & yard	Total
2023	Rs'000	Rs'000	Rs'000
Cost	**10,516**	**11,135**	**21,651**
Accumulated depreciation	**-**	**(3,722)**	**(3,722)**
Net book values	**10,516**	**7,413**	**17,929**
2022			
Cost	10,516	11,135	21,651
Accumulated depreciation	-	(2,919)	(2,919)
Net book values	10,516	8,216	18,732

(iv) Bank borrowings are secured on some of the company's property, plant and equipment. Please refer to note 22 for further details.

(v) Depreciation charge has been included in other operating expenses.

(d) **Critical accounting estimates**

Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes as well as location, wear and tear and frequency of renovation are taken into account. The residual value of an asset is the estimated net amount that the group would currently obtain from the disposal of the asset, if the asset was already of the age and in the condition expected at the end of its useful life. Residual value assessments consider issues such as future market conditions, the remaining useful life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

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

Revaluation of properties

The group and the company measure land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The group appoints qualified independent professional valuers who have valuation experience of similar properties to determine the fair value of these properties. Valuations were made on the basis of open market values and replacement costs.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties in that specific region.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(e) **Right of use assets**

Accounting policy

The group recognises a right of use asset and a corresponding lease liability at commencement date at which the leased asset is available for use.

The group presents right of use assets that do not meet the definition of investment property as property, plant and equipment.

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The depreciation period for right of use assets held by the group are as described below:

	Years
Land and buildings	10 - 50
Plant, machinery and motor vehicles	3 - 5

Short term leases and leases of low value assets

The group has elected not to recognise right of use assets and the corresponding lease liabilities for short-term leases and low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term. The group applies the exemption for low value assets on a lease by lease basis. While short term leases are leases with a term of twelve months or less, low-value assets are comprised of IT equipment including computers, mobile phones and small office equipment.

(i) THE GROUP

2023	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
COST			
At July 1,	**1,348,094**	**264,443**	**1,612,537**
Additions	**111,458**	**70,627**	**182,085**
Transfer to property, plant and equipment (note 5(b))	**-**	**(37,327)**	**(37,327)**
Transfer between asset accounts	**(3,100)**	**3,100**	**-**
Termination of lease contracts	**-**	**(6,309)**	**(6,309)**
Effect of remeasurement	**(20,368)**	**(3,700)**	**(24,068)**
Translation difference	**800**	**300**	**1,100**
On deconsolidation of subsidiaries	**(50,400)**	**(2,000)**	**(52,400)**
At June 30,	**1,386,484**	**289,134**	**1,675,618**
DEPRECIATION			
At July 1,	**428,486**	**125,618**	**554,104**
Charge for the year	**131,526**	**42,349**	**173,875**
Transfer to property, plant and equipment (note 5(b))	**-**	**(27,925)**	**(27,925)**
Termination of lease contracts	**(16,100)**	**(4,309)**	**(20,409)**
Effect of remeasurement	**-**	**(100)**	**(100)**
Translation difference	**(600)**	**300**	**(300)**
On deconsolidation of subsidiaries	**(20,700)**	**(1,800)**	**(22,500)**
At June 30,	**522,612**	**134,133**	**656,745**
NET BOOK VALUES			
At June 30,	**863,872**	**155,001**	**1,018,873**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(e) Right of use assets (cont'd)

(i) THE GROUP (CONT'D)

2022	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000
COST			
At July 1,	1,267,870	281,455	1,549,325
Additions	96,955	63,908	160,863
Transfer to property, plant and equipment (note 5(b))	-	(50,320)	(50,320)
Termination of lease contracts	(7,100)	(21,800)	(28,900)
Effect of remeasurement	(731)	(2,800)	(3,531)
Translation difference	(800)	(600)	(1,400)
On deconsolidation of subsidiaries*	(8,100)	(5,400)	(13,500)
At June 30,	1,348,094	264,443	1,612,537
DEPRECIATION			
At July 1,	306,343	149,144	455,487
Charge for the year	129,843	45,990	175,833
Transfer to property, plant and equipment (note 5(b))	-	(39,416)	(39,416)
Termination of lease contracts	(3,400)	(24,100)	(27,500)
Effect of remeasurement	(900)	(1,800)	(2,700)
Translation difference	(400)	(100)	(500)
On deconsolidation of subsidiaries*	(3,000)	(4,100)	(7,100)
At June 30,	428,486	125,618	554,104
NET BOOK VALUES			
At June 30,	919,608	138,825	1,058,433

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

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(e) Right of use assets (cont'd)

(ii) THE COMPANY

2023	Office equipment	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1,	**102**	**21,495**	**3,508**	**25,105**
Assets written off	**(102)**	**-**	**-**	**(102)**
At June 30,	**-**	**21,495**	**3,508**	**25,003**
DEPRECIATION				
At July 1,	**102**	**10,954**	**2,871**	**13,927**
Charge for the year	**-**	**3,659**	**637**	**4,296**
Assets written off	**(102)**	**-**	**-**	**(102)**
At June 30,	**-**	**14,613**	**3,508**	**18,121**
NET BOOK VALUES				
At June 30,	**-**	**6,882**	**-**	**6,882**

2022	Office equipment	Land and buildings	Plant, machinery and motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 1,	102	21,023	3,508	24,633
Effect of remeasurement	-	472	-	472
At June 30,	102	21,495	3,508	25,105
DEPRECIATION				
At July 1,	102	7,296	1,595	8,993
Charge for the year	-	3,658	1,276	4,934
	102	10,954	2,871	13,927
NET BOOK VALUES				
At June 30,	-	10,541	637	11,178

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES

(a) Accounting policy

Investment properties are properties which are held to earn rentals or for capital appreciation and not occupied by the group and are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value determined annually by qualified independent professional valuers. The qualified independent professional valuers hold recognised and relevant professional qualification and have recent experience in the location and category of the properties being valued. Subsequent costs relating mainly to infrastructure costs (costs to bring investment properties into saleable conditions) are capitalised as part of investment properties. Changes in fair value are included in profit or loss.

Properties that are being constructed or developed for future use as investment properties are treated as investment properties. Investment properties are derecognised when they are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year of derecognition.

Rental income from investment properties is recognised in revenue on a straight-line basis over the term of the lease. The effect of straight-lining of income is adjusted for in the fair value of investment properties.

If an investment property becomes owner occupied, it is reclassified to property, plant and equipment. Its fair value at the date of reclassification becomes its book value for subsequent accounting purposes.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged to other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Where an investment property undergoes a change in use, such as commencement of development with a view to sell, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use. Transfers between levels of the fair value hierarchy, are deemed to have occurred at the beginning of the reporting period.

Borrowing costs

Interest costs on borrowings to finance the construction of investment property are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the group incurs in connection with the borrowing of funds.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(b) ***Fair value model***

(i) THE GROUP

	Commercial properties	Bare land and other properties	Total
2023	Rs'000	Rs'000	Rs'000
At July 1,	**17,527,966**	**4,504,677**	**22,032,643**
Additions	**1,175,092**	**96,168**	**1,271,260**
Borrowing costs capitalised*	**33,074**	**-**	**33,074**
Disposals	**-**	**(5,252)**	**(5,252)**
Effect of straightlining adjustment on rental income	**40,645**	**-**	**40,645**
Transfer (to)/from property, plant and equipment (note 5)	**(1,835)**	**1,359,756**	**1,357,921**
Transfer to inventories (stock of land)	**-**	**(49,243)**	**(49,243)**
Translation difference	**-**	**3,900**	**3,900**
Increase in fair value	**533,280**	**416,191**	**949,471**
At June 30,	**19,308,222**	**6,326,197**	**25,634,419**

	Commercial properties	Bare land and other properties	Total
2022	Rs'000	Rs'000	Rs'000
At July 1,	15,916,046	4,622,153	20,538,199
Additions	1,579,982	228,330	1,808,312
Borrowing costs capitalised*	32,637	-	32,637
Disposals	(463,464)	188,426	(275,038)
Effect of straightlining adjustment on rental income	25,016	36	25,052
Transfer from/(to) property, plant and equipment (note 5)	47,800	(97,005)	(49,205)
Transfer to inventories (stock of land)	-	(723,296)	(723,296)
Translation difference	-	18,900	18,900
Increase in fair value	389,949	267,133	657,082
At June 30,	17,527,966	4,504,677	22,032,643

* The rate used to determine the amount of borrowing costs eligible for capitalisation was 5.46% to 7.2% (2022: 6%), which is the effective interest rate of the specific borrowing.

(ii) THE COMPANY

	Bare land and other properties
2023	Rs'000
At July 1,	**12,984,739**
Additions	**41,659**
Disposals	**(456,251)**
Transfer from property, plant and equipment (note 5)	**24,753**
Increase in fair value	**1,119,186**
At June 30,	**13,714,086**
2022	
At July 1,	13,037,659
Additions	27,594
Disposals	(378,666)
Increase in fair value	298,152
At June 30,	12,984,739

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(c) The following amounts have been recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rental income derived from investment properties (note 30(b))	**1,056,972**	1,695,508	**73,382**	47,846
Direct operating expenses generating rental income	**67,455**	41,052	**-**	-
Direct operating expenses that did not generate rental income	**538,864**	495,557	**-**	-

Investment property has been broken down into different classes of asset for the purpose of IFRS 13 disclosures. The presentation in the comparative period has been updated accordingly to conform with the changes made in the current year.

(d) The investment properties were valued on June 30, 2023 by qualified independent professional valuers namely Ramiah-Isabel Consultancy Ltd and Mills Fitchet.

The properties have been valued to their open market value being the price at which the freehold interests might reasonably be expected to achieve if sold at the date of this valuation assuming:

1. There is a willing buyer for existing or alternative use purposes.

2. There is a willing and prudent seller.

3. That prior to the date of sale there had been a reasonable period in which to negotiate the proposed sale taking into account the prevailing market conditions.

4. That property values will remain static throughout the period during which the property is marketed.

5. That the properties will be freely and fully exposed to the market.

6. That no account is taken of any additional bid by a prospective purchaser with a special interest.

7. That both parties to the transaction will act knowledgeably, prudently and without compulsion.

8. The properties are free from all charges and encumbrances.

(e) The fair value of the properties were determined using:

(i) The Direct Market Comparison Approach, which is based on recent transactions for similar properties in similar locations. Where comparables are not available, then the best-suited comparables are used and adjusted for year of transaction, geographical location, land, use, size, shape, frontage, access, site constraints, planning restrictions, etc. The resulting figure is further analysed to ascertain whether it is fair and reasonable according to our knowledge of the property market.

There are adequate market evidences of sales for agricultural, residential and commercial properties where the subject properties are located to render the Sales Comparison Approach as the most appropriate approach for the landed assets owned by the group.

(ii) The discounted cash flow method (DCF) refers to the expected future net income for 5 years that has been discounted at an appropriate discount rate and added to the estimated reversionary value. The reversionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounting at an appropriate rate.

The DCF valuation is also the approach by which private, institutional, local and overseas investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.

(iii) On the other hand, building improvements have been fair valued using the Depreciated Replacement Cost (DRC) Method. The DRC has been arrived at by using the construction costs of similar buildings and adjusted for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level/quality of maintenance.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(1) Commercial properties

Commercial properties relates mainly to shopping malls. The investment properties were valued at year end by Mills Fitchet and Messrs Jones Lang Lasalle, accredited independent valuers with recognised professional qualification (Royal Institution of Chartered Surveyors - RICS Registered) and relevant experience of the location and category of the investment properties being valued. The valuations were performed in accordance with the International Valuation Standards Committee requirements. Valuation was based on a discounted cash flow model. The determined fair value of the investment property is sensitive to the risk-adjusted discount rate as well as reversionary rate.

The investment properties are classified as level 3 on the fair value hierarchy. There were no transfers between levels during the year.

Main inputs used in the valuation of commercial properties are as follows:

	2023	2022
Discount rate	**12.50% - 14.50%**	11.50% - 13.50%
Reversionary rate	**7% - 9.25%**	7% - 9.25%
Net property income	**Rs.19m - Rs.586m**	Rs.18m - Rs.530m
Gross lettable area	**140,104 m2**	138,742 m
Market rental growth	**5.25%**	4.50%
Expense growth	**5%**	4%
Void periods	**1 - 3 months**	1 - 3 months
Vacancy rate	**1% - 2.50%**	1% - 2.50%
Price per arpents	**Rs.25m - Rs.37.5m**	Rs.23m - Rs.32.5m

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on profit or loss and equity.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The DCF method is also the approach by which private, institutional, local and overseas investors analyse property for investment purposes to estimate the market value. This methodology also takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to market levels.	Discount rate (12.50% - 14.50%) Reversionary rate (7% - 9.25%) Net property income (Rs.19m - Rs.586m) Gross lettable area (140,104 m2) Market rental growth (5.25%) Expense growth (5%) Void periods (1 - 3 months) Vacancy rate (1% - 2.50%) Price per arpents (Rs.25m - Rs.37.5m)	The estimated fair value would increase/(decrease) if the following respective movement were to occur in isolation: • Risk-adjusted discount rate were lower/(higher) • Reversionary rate were lower/(higher) • Net property income were higher/(lower) • Gross lettable area were higher/(lower) • Expected market rental growth were higher/(lower) • Expense growth were lower/(higher) • Void periods were shorter/(longer) • Vacancy rate were lower/(higher)

However, inter-relationships exist between the unobservable inputs as they are driven by market conditions. For instance, generally a change in the input used for the net property income is accompanied by a directionally similar change in the input used for the expected market rental growth, discount rate and reversionary rate, and a directionally opposite change in the input used for expense growth, void periods and vacancy rate.

A quantitative sensitivity analysis is shown below for the discount rate and reversionary rate which are the unobservable inputs that management consider to be most significant.

Discount rate

Increase of 0.5% in fair value would decrease fair value gain by Rs.311.8m (2022: Rs.297.5m).

Decrease of 0.5% in fair value would increase fair value gain by Rs.311.8m (2022: Rs.297.5m).

Reversionary rate

Increase of 0.5% in fair value would decrease fair value gain by Rs.768.9m (2022: Rs.709.8m).

Decrease of 0.5% in fair value would increase fair value gain by Rs.768.9m (2022: Rs.709.8m).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(2) Bare land

Bare land are properties held by the group and the company for future capital appreciation. The investment property is valued at fair value on an open-market basis by Ramiah-Isabel Consultancy Ltd. The valuation methodology is the open-market value basis and the fair value is classified as level 3. The valuation consideration takes into account the following:

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on profit or loss and equity.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Open-market value - The model considers the price at which the freehold/leasehold interests might reasonable expected to achieve if sold by private treaty at valuation date.	Prices per arpents of land (Rs.0.5m - Rs.44.6m) and prices per square foot for buildings (Rs.390 - Rs.12,000)	The estimated fair value would increase/(decrease) if:• expected growth in prices of land and buildings were higher/(lower).

A quantitative sensitivity analysis is shown below for the land on price per arpents and for buildings on price per square feet which are the unobservable inputs that management consider to be most significant.

Price per arpents

Increase of 1% in price per arpents would increase fair value gain by Rs.0.1m (2022: Rs.3.4m) for bare land.

Decrease of 1% in price per arpents would decrease fair value gain by Rs.0.1m (2022: Rs.3.4m) for bare land.

(3) Other properties

Other properties comprises of office building and sports complex which are rented to tenants. The investment property is valued at fair value on an open-market basis by Ramiah-Isabel Consultancy Ltd. The valuation methodology is the open-market value basis and the fair value is classified as level 3. The valuation consideration takes into account the following:

- the location of the property;
- existing new tarred road and utilities;
- that this area forms part of an established IRS development with clearances and permits in hand;
- the existing facilities that it will enjoy; and
- a stable market.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(3) Other properties (cont'd)

Sensitivity of fair value measurement to changes in unobservable inputs

Although management believes that its estimates of fair value are appropriate, the use of different assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on profit or loss and equity.

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Open-market value - The model considers the price at which the freehold/leasehold interests might reasonable expected to achieve if sold by private treaty at valuation date.	Prices per arpents of land (Rs.0.5m - Rs.44.6m) and prices per square foot for buildings (Rs.390 - Rs.12,000)	The estimated fair value would increase/(decrease) if: • expected growth in prices of land and buildings were higher/(lower).
Building improvements: Depreciated Replacement Cost (''DRC''): The DRC is arrived at by using the current construction cost are similar buildings based on our experience and knowledge of the construction sector and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level and quality of maintenance.	Expected price increase in construction materials. Expected growth in interest rates.	The estimated fair value would increase/(decrease) if: • expected price of construction materials increase/(decrease); • Interest rates increase/(decrease).

However, inter-relationships exist between the unobservable inputs as they are driven by market conditions. For instance, generally a change in the input used for the net property income is accompanied by a directionally similar change in the input used for the expected market rental growth, discount rate and reversionary rate, and a directionally opposite change in the input used for expense growth, void periods and vacancy rate.

A quantitative sensitivity analysis is shown below for the land on price per arpents and for building on price per square foot which are the unobservable inputs that management consider to be most significant.

Price per arpent

Increase of 1% in price per arpents would increase fair value gain by Rs.0.1m (2022: Rs.0.8m) for other properties.

Decrease of 1% in price per arpents would decrease fair value gain by Rs.0.1m (2022: Rs.0.8m) for other properties.

Price per square feet

Increase of 1% in price per square feet would increase fair value gain by Rs.0.1m (2022: Rs.0.5m) other properties.

Decrease of 1% in price per square feet would decrease fair value gain by Rs.0.1m (2022: Rs.0.5m) for other properties.

(f) The group and the company have pledged part of its investment properties to secure borrowings. Please refer to note 22 for further details.

(g) Details of the investment properties and information about the fair value hierarchy for Level 3 are as follows:

	2023	2022
	Rs'000	Rs'000
THE GROUP		
Commercial properties, bare land and other properties	25,634,419	22,032,643
THE COMPANY		
Commercial properties, bare land and other properties	13,714,086	12,984,739

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

6. INVESTMENT PROPERTIES (CONT'D)

(h) The movement in level 3 fair value measurement for the year ended June 30, 2023 and 2022 are disclosed in note (b) above. Land is disclosed as level 3 in the current year (2022: level 3).

(i) There has been no change in the valuation techniques used.

(j) **Critical accounting estimates**

Revaluation of investment properties

Investment properties are stated at fair value with changes in fair value being recognised in the statements of profit or loss. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The group appointed qualified independent professional valuers who have valuation experience of similar properties to determine the fair value of these properties which were carried out on the basis of open market values, depreciated replacement cost, discounted cash flow approach and residual value method.

As part of the revaluation process, the use of judgement to determine the fair value of properties is necessary. Land is valued on the basis of recently transacted properties of similar nature in that specific region and residual value method as appropriate.

For developed sites, the income capitalisation method and the depreciated replacement cost basis have been used. The depreciated replacement cost methodology consists of the depreciated replacement cost of the building, plus the market value of the land.

For the unimproved sites, depreciated replacement cost basis have been used. The depreciated replacement cost methodology consists of the depreciated replacement cost of the building.

Significant accounting judgements and estimates

Management has applied judgement in determining appropriate classes of investment properties for which disclosures about fair value measurements should be provided. Investment properties have been classified into three distinct categories, namely, commercial, bare land and other properties. The classes have been determined based on the nature, characteristics and risks of the assets. Judgement has also been applied by management in respect of the level of detail necessary to satisfy the disclosure requirements and when assessing the level aggregation or disaggregation to undertake in determining the appropriate classes.

The group carries its investment property at fair value, with changes in fair value being recognised in the Statements of Profit or Loss and Other Comprehensive Income. The fair value is based on valuations performed 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 and based on a discounted cash flow model. The determined fair value of the investment property is sensitive to the risk- adjusted discount rate as well as the long term vacancy rate.

7. DEFERRED EXPENDITURE

(a) **Accounting policy**

Deferred expenditure relates to cost incurred on a development project and are released as the properties are disposed.

(b) THE GROUP

	2022
	Rs'000
COST	
At July 1,	206,600
Translation difference	8,000
Transfer to inventory	(214,600)
At June 30,	-
AMORTISATION	
At July 1,	196,400
Translation difference	7,700
Transfer to inventory	(204,100)
At June 30,	-
NET BOOK VALUES	
At June 30,	-

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INTANGIBLE ASSETS

(a) **Accounting policy**

Market related intangibles, computer software and other intangible assets

Computer software and other intangible assets including market related intangibles, any premium paid on acquisition of businesses and concession rights, that are acquired by the group and have finite useful lives are initially recorded at cost. Other intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. The intangible assets are amortised using the straight-line method over its estimated useful life. Amortisation methods, useful lives and residual values of computer software and other intangible assets are reviewed at each reporting date and adjusted if appropriate. Gains or losses arising from derecognition of other intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Premium paid by certain subsidiaries for acquiring agencies are considered as intangibles with indefinite life and are tested for impairment annually. Those premium having a finite life are amortised over the life time of the asset to determine its carrying amount at the end of the reporting period. For the year ended June 30, 2023, the group has not recognised internally generated intangibles.

The amortisation rates by class of other intangible assets held by the group are as described below:

	Years	Rate
Computer software	2 - 8	12.5% - 50%
Customer relationships	8	12.5%
Market related intangibles	8	12.5%
Other intangible assets	7-10	10% - 14%
Concession/leasehold rights	9 - 60	2% - 11%
Franchise	4 - 10	10% - 25%

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Land conversion rights

Land conversion rights have been assessed to have an indefinite life and are tested annually for impairment and are transferred to investment properties upon conversion of the land. The recoverable amount of the land conversion rights has been determined based on the value stated in the Sugar Industry Efficiency Act.

Franchise

Franchise is shown at historical cost, has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over its estimated useful lives of 4 - 10 years.

Goodwill

Goodwill arises on the acquisition of subsidiary companies and represents the excess of the consideration over the group's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree. Any net excess of the group's interests in the net fair value of the acquiree's net identifiable assets over cost is recognised in profit or loss.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. On disposal of a subsidiary company, the goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Other purchased goodwill consists mainly of premium paid by certain subsidiaries for acquiring agencies. This goodwill is either tested for impairment or amortised over a finite period of time to determine its carrying amount at the end of the reporting period.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP

(i) **2023**	Computer software	Goodwill on acquisition of subsidiaries	Land conversion rights	Franchise	Market related intangibles	Concession / leasehold rights	Other intangible assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST								
At July 1,	392,246	945,491	311,528	27,916	357,300	180,000	96,703	2,311,184
Additions	22,300	-	324,321	1,398	-	-	-	348,019
Assets written off	(38,937)	-	-	-	-	-	-	(38,937)
Disposal	(647)	-	(12,262)	-	-	-	-	(12,909)
On deconsolidation of subsidiaries	(58,800)	-	-	-	-	-	(8,700)	(67,500)
Translation difference	100	4,300	-	-	-	-	-	4,400
At June 30,	**316,262**	**949,791**	**623,587**	**29,314**	**357,300**	**180,000**	**88,003**	**2,544,257**
AMORTISATION AND IMPAIRMENT								
At July 1,	347,657	20,763	-	7,411	245,600	81,000	31,626	734,057
Charge for the year	26,923	-	-	1,245	31,800	3,000	15,572	78,540
Assets written off	(38,533)	-	-	-	-	-	-	(38,533)
Disposal adjustment	(620)	-	-	-	-	-	-	(620)
Transfer between assets accounts	4,200	-	-	-	-	-	(4,200)	-
On deconsolidation of subsidiaries	(35,100)	-	-	-	-	-	(8,700)	(43,800)
Translation difference	800	-	-	-	-	-	-	800
At June 30,	**305,327**	**20,763**	**-**	**8,656**	**277,400**	**84,000**	**34,298**	**730,444**
NET BOOK VALUES								
At June 30,	**10,935**	**929,028**	**623,587**	**20,658**	**79,900**	**96,000**	**53,705**	**1,813,813**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(ii) 2022	Computer software	Goodwill on acquisition of subsidiaries	Land conversion rights	Franchise	Market related intangibles	Concession / leasehold rights	Other intangible assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST								
At July 1,	368,489	898,868	311,528	28,871	357,500	180,000	73,807	2,219,063
Arising on business combination (note 44)	-	33,023	-	-	-	-	32,396	65,419
Additions	24,657	-	-	466	100	-	-	25,223
Assets written off	-	-	-	-	(300)	-	-	(300)
Disposals	-	-	-	(1,421)	-	-	-	(1,421)
Transfer to property, plant and equipment (note 5)*	-	-	-	-	-	-	(9,500)	(9,500)
Translation difference	(900)	13,600	-	-	-	-	-	12,700
At June 30,	392,246	945,491	311,528	27,916	357,300	180,000	96,703	2,311,184
AMORTISATION AND IMPAIRMENT								
At July 1,	314,330	20,763	-	6,165	207,700	78,000	21,677	648,635
Charge for the year	33,807	-	-	1,246	38,200	3,000	9,949	86,202
Assets written off	-	-	-	-	(300)	-	-	(300)
Impairment	20	-	-	-	-	-	-	20
Translation difference	(500)	-	-	-	-	-	-	(500)
At June 30,	347,657	20,763	-	7,411	245,600	81,000	31,626	734,057
NET BOOK VALUES								
At June 30,	44,589	924,728	311,528	20,505	111,700	99,000	65,077	1,577,127

* In 2022, a subsidiary company took note that a portion of land has been included as part of its acquired intangible and transferred the said land to property, plant and equipment.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INTANGIBLE ASSETS (CONT'D)

(b) THE GROUP (CONT'D)

(iii) Amortisation charge has been included in other operating expenses.

(iv) The recoverable amounts of the goodwill have been assessed based either on the fair value of the cash-generating units determined by external valuers at June 30, 2023 or on the basis of expected cash flows. The fair value of some of the cash generating units was determined on the basis of capitalisation of earnings whereby a multiple is applied to the investee's adjusted pro-forma earnings. The fair value of other cash generating units was determined on the basis of expected future cash flows from latest management forecasts which were extrapolated on the basis of long term revenue growth rates and assumptions with regard to margin development and discounted for the capital costs of business unit. Following this exercise, no impairment was recognised during the year (2022: Rs.nil).

(v) Land conversion rights have been tested for impairment by comparing the carrying value to recoverable amount and no impairment has been noted.

(vi) Bank borrowings are secured on some of the group's intangible assets. Please refer to note 22 for further details.

(c) **Impairment test**

The recoverable amounts for the cash generating units were based on their value in use, determined by discounting the generated future five year cash flows as approved by management. No impairment has been recognised in 2023 and 2022. The key assumptions used in the estimation of value in use and recoverable amounts are based on management's past experience of the served markets in which the Group operates with a view to maintain market share.

The assumptions used for the value-in-use calculations are as follows:

	THE GROUP	
	2023	2022
Fintech - Corporate Services	**%**	%
Discount rate	**14.5**	10.7 - 13.1
Budgeted EBITDA growth rate (average over next five years)	**3.3**	3.3
Fintech - Technology Services		
Discount rate	**15**	13.8
Budgeted EBITDA growth rate (average over next five years)	**3.3**	3.3
Hospitality - Hotels		
Discount rate	**11.6**	10.4
Budgeted EBITDA growth rate (average over next five years)	**3.3**	3.3
Hospitality - Leisure		
Discount rate	**12.2 - 15.2**	11.8
Budgeted EBITDA growth rate (average over next five years)	**3.3**	3.3
Hospitality - Travel		
Discount rate	**17.0**	10.3
Budgeted EBITDA growth rate (average over next five years)	**1.4**	3.3
Logistics		
Discount rate	**8.9 - 19.7**	8.8 - 16.6
Budgeted EBITDA growth rate (average over next five years)	**1.4 - 6.0**	3.3

A five-year cash flow forecast is used and terminal value growth rate is assumed to be nil for the purpose of goodwill impairment tests.

The discount rate was a pre-tax measure estimated based on the rate of 10-years government bonds issued by the Government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the risk of investing in equities generally and the systematic risk of the specific Cash Generating Unit. The risk for each foreign country has been considered and the discount factor from the foreign subsidiaries were not materially different to that of the local subsidiaries.

Forecasted EBITDA has been based on the expectation of future outcomes adjusted for revenue growth and cost containment measures.

The discount rate has been adjusted to reflect the current market assessment of the risks specific to the group and was estimated based on the weighted average cost of capital for the group. This rate was further adjusted to reflect the market assessment of risks specific to the group for which future estimates of cash flows have not been adjusted. Further changes to the discount rate may be necessary in the future to reflect changing risks for the industry and changes to the weighted average cost of capital.

Growth rates are based on the current economic outlook. However, given the economic uncertainty, reductions in growth estimates may be necessary in the future.

The group has performed sensitivity analyses on its key assumptions, none of which resulted in any impairment of its goodwill.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

8. INTANGIBLE ASSETS (CONT'D)

(d) THE COMPANY

(i) 2023	Computer software	Land conversion rights	Total
	Rs'000	Rs'000	Rs'000
COST			
At July 1,	**3,873**	**311,528**	**315,401**
Additions	**-**	**130,796**	**130,796**
Disposals	**-**	**(12,262)**	**(12,262)**
At June 30,	**3,873**	**430,062**	**433,935**
AMORTISATION			
At July 1, & June 30,	**3,873**	**-**	**3,873**
NET BOOK VALUES			
At June 30,	**-**	**430,062**	**430,062**

(ii) 2022	Computer software	Land conversion rights	Total
COST			
At July 1, & June 30,	3,873	311,528	315,401
AMORTISATION			
At July 1, & June 30,	3,873	-	3,873
NET BOOK VALUES			
At June 30,	-	311,528	311,528

(e) **Critical accounting estimates**

Estimated impairment of goodwill

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For the purpose of testing impairment on acquired goodwill, the recoverable amount of each CGUs were estimated using discounted cash flows. The impairment assessment and the calculation of the recoverable amount is subject to significant management judgement and estimation which includes the selection of the appropriate impairment model to be used, determination of the expected future cash flows from the businesses, setting appropriate terminal growth rates, selection of the appropriate discount rate.

Other intangibles assets

There have been no change in the assessment of an intangible asset's useful life, the amortisation method and residual values.

Estimate of useful lives and residual value

The group uses historical experience and comparable market available data to determine useful lives. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset after deducting the estimated cost of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The amortisation charge calculation require an estimate of the economic useful lives of the different assets.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES

(a) Accounting policy

Separate financial statements of the investor

Investments in subsidiary companies are carried at fair value. The carrying amount is adjusted to recognise any fluctuation in the value of the individual investments.

Consolidated financial statements

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date control is transferred to the group and de-consolidated from the date that control ceases.

The acquisition method is used to account for business combinations by the group. The consideration for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated on consolidation. The accounting policies of subsidiary companies have been amended where necessary to ensure consistency with the policies adopted by the group.

Foreign subsidiaries

On consolidation, the assets and liabilities of the group's overseas entities are translated at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences, if any, are classified as other comprehensive income. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Transactions with non-controlling interests

The group accounts for transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiary companies

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. Amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Capital reduction

When a subsidiary company reduces its share capital without affecting the shareholding interest, it is accounted for as a disposal of share. The difference between the proceeds and the carrying amount is accounted for in the statement of changes in equity and the difference between the carrying amount and the cost is transferred from revaluation reserve to retained earnings.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) **Accounting policy (cont'd)**

Consolidated financial statements (cont'd)

(b) THE COMPANY

		Official Market	Unquoted	Total
		Rs'000	Rs'000	Rs'000
(i)	**2023**			
	At July 1,	**963,699**	**18,363,011**	**19,326,710**
	Additions	**-**	**712,400**	**712,400**
	Capital reduction*	**-**	**(76,116)**	**(76,116)**
	Fair value adjustments	**40,300**	**3,963,616**	**4,003,916**
	At June 30,	**1,003,999**	**22,962,911**	**23,966,910**
	2022			
	At July 1,	517,899	13,800,652	14,318,551
	Additions	-	492,860	492,860
	Capital reduction*	-	(68,241)	(68,241)
	Fair value adjustments	445,800	4,137,740	4,583,540
	At June 30,	963,699	18,363,011	19,326,710

* During this year, a wholly-owned subsidiary company reduced (through a share buy back) the number shares in issue, thus resulting in a decrease in its stated capital. For the consolidated financial statements, there was no change in the equity interests held by the parent or the non-controlling interest as a result on the reduction in number of shares. For the separate financial statements, the carrying amount of the shares bought back (amounting to Rs.76,116k) has been deducted from the company's total investments, resulting in a release of Rs.(26,116)k which has been recognised in the statement of changes in equity.

In 2022, a wholly-owned subsidiary company reduced (through a share buy back) the number shares in issue, thus resulting in a decrease in its stated capital. For the consolidated financial statements, there was no change in the equity interests held by the parent or the non-controlling interest as a result on the reduction in number of shares. For the separate financial statements, the carrying amount of the shares bought back (amounting to Rs.68,241k) has been deducted from the company's total investments, resulting in a profit of Rs.6,759k which has been recognised in the statement of profit or loss.

(c) The fair value of investments in subsidiary companies was determined at June 30, 2023 by qualified independent professional valuers. The valuation was based on a combination of adjusted net assets, discounted cash flow basis and capitalised earnings. This did not result in any loss of control.

(d) Investments included in level 1 comprise of quoted equity investments valued using market approach. Investments classified under the official market above have been fair valued using the sum of parts method as the market on which the shares are listed is not liquid, thus classified under level 3. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

(e) The company's investments in subsidiary companies are categorised as follows:

	2023	2022
	Rs'000	Rs'000
Level 3	**23,966,910**	19,326,710

The movement in level 3 instruments for the year ended June 30, 2023 and 2022 is disclosed in the note b(i) above.

(i) The table below sets out information about significant unobservable inputs used at June 30, 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

2023 & 2022	Valuation technique	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
Investments in subsidiary companies	Discounted cash flow	Discount rate	4.90% - 9.20% (2022: 6.90% - 8.10%)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
	EBITDA multiple	Multiple	11.00x (2022:15.90x)	The estimated fair value would increase/ (decrease) if discount rate were lower/ (higher).
		Discount rate	12.40% (2022:12%)	The estimated fair value would increase/ (decrease) if discount were lower/ (higher).
	Net asset value	Net asset value per share	Rs.0.97 - Rs.2.87 (2022:Rs.0.05 - Rs.1.56) per share	The estimated fair value would increase/ (decrease) if discount were lower/ (higher).

A quantitative sensitivity analysis is shown below for the discount rate which are the unobservable inputs that management consider to be most significant.

Discount rate

Increase of 0.5% in discount rate would decrease fair value gain by Rs.172m (2022: Rs.86.46m).
Decrease of 0.5% in discount rate would increase fair value gain by Rs.198m (2022: Rs.94.86m).

Net asset value per share

Increase of 0.5% in net asset value would decrease fair value gain by Rs.171.4m (2022: Rs.87.23m).
Decrease of 0.5% in net asset value would increase fair value gain by Rs.197.8m (2022: Rs.95.68m).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows:

Name of company	2023 Stated capital	2023 Proportion of ownership interest: Holding company	2023 Proportion of ownership interest: Subsidiary companies	2023 Effective holding	2023 Non-controlling interests	2022 Stated capital	2022 Proportion of ownership interest: Holding company	2022 Proportion of ownership interest: Subsidiary companies	2022 Effective holding	2022 Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Corporate office:											
ENL Foundation	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	CSR
ENL Corporate Services Limited	**8,900**	**100.00**	**-**	**100.00**	**-**	7,100	100.00	-	100.00	-	Service provider
Turbine Incubator Limited	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Business incubator (non-profit making company)
The Enabling Academy Limited	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Training institution
ENL Secretarial Services Ltd	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Service provider
Land and investments:											
Ecoasis Energy Solutions Ltd	**41,010**	**50.10**	**-**	**50.10**	**49.90**	41,010	50.10	-	50.10	49.90	Import and export services
Ecoasis Mechanical Works Ltd	**10**	**-**	**80.00**	**40.08**	**59.92**	10	-	80.00	40.08	59.92	Job Contractor
Ecoasis Technical Services Ltd	**10**	**-**	**80.00**	**40.08**	**59.92**	10	-	80.00	40.08	59.92	Job Contractor
ENL Corporate Ventures Limited	**366,208**	**100.00**	**-**	**100.00**	**-**	302,208	100.00	-	100.00	-	Corporate venture fund
ENL Rê Limited	**10**	**100.00**	**-**	**100.00**	**-**	10	100.00	-	100.00	-	Investment holding
Envolt Ltd	**237,501**	**100.00**	**-**	**100.00**	**-**	62,501	100.00	-	100.00	-	Producer of electricity
Rogers Corporate Services Ltd	**357,543**	**-**	**59.73**	**59.73**	**40.27**	357,543	-	59.73	59.73	40.27	Dormant
Rogers & Co Ltd	**252,000**	**6.73**	**53.00**	**59.73**	**40.27**	252,000	6.73	53.00	59.73	40.27	Investment holding
Rogers Consolidated Shareholding Limited	**16,860**	**100.00**	**-**	**100.00**	**-**	16,860	100.00	-	100.00	-	Investment holding
Societé Reunion	**8,620**	**100.00**	**-**	**100.00**	**-**	8,620	100.00	-	100.00	-	Investment holding
Tambourissa Limited	**581,152**	**100.00**	**-**	**100.00**	**-**	581,152	100.00	-	100.00	-	Investment holding
Finance & technology:											
Rogers Capital Fin Ltd	**45,947**	**-**	**100.00**	**49.66**	**50.34**	45,947	-	100.00	49.66	50.34	Consumer finance
Rogers Capital Credit Ltd	**200,000**	**-**	**100.00**	**49.66**	**50.34**	-	-	-	-	-	Consumer finance
Rogers Capital Brokers Ltd	**10**	**-**	**100.00**	**49.66**	**50.34**	10	-	100.00	49.66	50.34	Management consultancy activities(Firm)
Rogers Capital Compliance Limited	**1**	**-**	**100.00**	**49.66**	**50.34**	1	-	100.00	49.66	50.34	Management consultancy activities(Firm)
Rogers Capital Nominee 2 Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Rogers Capital City Executives Ltd	**50**	**-**	**100.00**	**49.66**	**50.34**	50	-	100.00	49.66	50.34	Global business
Rogers Capital Outsourcing Ltd	**15,000**	**-**	**100.00**	**49.66**	**50.34**	15,000	-	100.00	49.66	50.34	IT services
Rogers Capital Tax Specialist Services Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	IT services
Rogers Capital Technology Services Ltd	**15,977**	**-**	**100.00**	**49.66**	**50.34**	15,977	-	100.00	49.66	50.34	IT services
Rogers Capital Accounting Services Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Rogers Capital Business Services Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Rogers Capital Corporate Services (Singapore) Pte Ltd	**238**	**-**	**100.00**	**49.66**	**50.34**	238	-	100.00	49.66	50.34	Global business
Rogers Capital Corporate Services (Seychelles) Ltd	**404**	**-**	**100.00**	**49.66**	**50.34**	404	-	100.00	49.66	50.34	Global business

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

Name of company	2023 Stated capital	2023 Proportion of ownership interest: Holding company	2023 Proportion of ownership interest: Subsidiary companies	2023 Effective holding	2023 Non-controlling interests	2022 Stated capital	2022 Proportion of ownership interest: Holding company	2022 Proportion of ownership interest: Subsidiary companies	2022 Effective holding	2022 Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Finance & technology:: (cont'd)											
Rogers Capital Corporate Services Ltd	**782**	**-**	**100.00**	**49.66**	**50.34**	782	-	100.00	49.66	50.34	Global business
Finance & technology: (Cont'd)											
Rogers Capital Finance Ltd (vii)	**-**	**-**	**-**	**-**	**-**	750,020	-	100.00	49.66	50.34	Dormant
Rogers Capital Nominee Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Rogers Capital Fund Services Ltd	**527**	**-**	**100.00**	**49.66**	**50.34**	527	-	100.00	49.66	50.34	Global business
Rogers Capital Nominee 1 Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Rogers Capital Captive Insurance Management Services Ltd	**2,215**	**-**	**100.00**	**49.66**	**50.34**	2,215	-	100.00	49.66	50.34	Global business
Rogers Capital Specialist Services Ltd	**100**	**-**	**100.00**	**49.66**	**50.34**	100	-	100.00	49.66	50.34	Global business
Rcap Executives Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
River Court Nominees Limited	**100**	**-**	**100.00**	**49.66**	**50.34**	100	-	100.00	49.66	50.34	Global business
Rogers Capital Payroll Services Ltd	**10**	**-**	**100.00**	**49.66**	**50.34**	10	-	100.00	49.66	50.34	Payroll services
Rogers Capital Trustees Services Ltd	**1,400**	**-**	**100.00**	**49.66**	**50.34**	1,400	-	100.00	49.66	50.34	Global business
Rogers Capital Investment Advisors Ltd	**11,000**	**-**	**100.00**	**49.66**	**50.34**	11,000	-	100.00	49.66	50.34	Asset management
Rogers Capital Ltd (vii)	**999,759**	**14.90**	**58.17**	**49.66**	**50.34**	999,759	14.90	69.00	49.66	50.34	Investment holding
Globefin Corporate Services Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Global business
Globefin Nominee Ltd	**11**	**-**	**100.00**	**49.66**	**50.34**	11	-	100.00	49.66	50.34	Global business
Rogers Capital Management Services Ltd	**601**	**-**	**100.00**	**49.66**	**50.34**	601	-	100.00	49.66	50.34	Investment
Rogers Capital Payment Solutions Ltd (ii)	**-**	**-**	**100.00**	**49.66**	**50.34**	-	-	100.00	49.66	50.34	Payment Solutions
Tagada Ltd	**44,000**	**65.00**	**20.91**	**85.91**	**14.09**	30,000	65.00	20.91	85.91	14.09	IT services
Commerce & manufacturing:											
Axess Limited	**277,072**	**-**	**100.00**	**100.00**	**-**	277,072	-	100.00	100.00	-	Sale and servicing of motor vehicles
Commercial Investment Property Fund Limited	**162,480**	**-**	**100.00**	**100.00**	**-**	162,480	-	100.00	100.00	-	Owner of properties
ENL Commercial Limited	**1,271,341**	**100.00**	**-**	**100.00**	**-**	1,321,341	100.00	-	100.00	-	Investment holding
Ensport Ltd	**50,000**	**-**	**100.00**	**100.00**	**-**	50,000	-	100.00	100.00	-	Sale of sport related goods
Grewals (Mauritius) Limited	**89,932**	**-**	**100.00**	**100.00**	**-**	89,932	-	100.00	100.00	-	Saw millers and timber merchants
Nabridas International Ltd	**100**	**-**	**100.00**	**100.00**	**-**	100	-	100.00	100.00	-	Dealer in swimming pools
Nabridas Ltd	**25**	**-**	**100.00**	**100.00**	**-**	25	-	100.00	100.00	-	Producer and dealer in swimming pools
Plastinax Austral Limitée	**13,679**	**-**	**99.40**	**99.40**	**0.60**	13,679	-	99.40	99.40	0.60	Manufacture of sunglasses
Joinery and Metal Distribution International Ltd	**12,744**	**-**	**75.76**	**75.76**	**24.24**	12,744	-	75.76	75.76	24.24	Distributor of aluminium products
Suntricity Company Limited	**12,000**	**-**	**75.00**	**75.00**	**25.00**	4,000	-	75.00	75.00	25.00	Sale of equipment and machinery

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

	2023					2022					
		Proportion of ownership interest					Proportion of ownership interest				
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Logistics:											
Associated Container Services Ltd	93,877	-	100.00	48.17	51.83	93,877	-	100.00	48.38	51.62	Port related services
Cargo Express Madagascar S.A.R.L	168	-	100.00	48.04	51.96	168	-	100.00	48.38	51.62	Freight forwarding
Express Logistics Solutions Ltd	1	-	100.00	48.04	51.96	1	-	100.00	48.38	51.62	Dormant
FOM Warehouse Ltd	100	-	96.00	48.38	51.62	100	-	96.00	48.38	51.62	Port related services
Freeport Operations (Mtius)Ltd	178,429	-	100.00	47.56	52.44	178,429	-	100.00	47.78	52.22	Port related services
General Cargo Services Limited	889		98.50	47.30	52.70	889	-	98.50	47.66	52.34	Port related services
Gencargo (Transport) Limited	1,463	-	100.00	48.04	51.96	1,463	-	100.00	48.38	51.62	Transport services
Global Air Cargo Services Ltd	433	-	50.00	24.02	75.98	433	-	50.00	24.19	75.81	Freight forwarding
Logistics Solution Ltd	525,690	-	99.00	48.17	51.83	525,690	-	100.00	48.50	51.50	Investment holding
MTL Logistics & Distributions Ltd	1,688	-	100.00	39.15	60.85	1,688	-	100.00	39.15	60.85	Transport company
P.A.P.O.L.C.S. Ltd	100	-	80.00	23.07	76.93	100	-	80.00	23.23	76.77	Stevedoring
Papol Holding Limited	100	-	60.00	28.80	71.20	100	-	60.00	29.03	70.97	Investment holding
Rogers Logistics International Ltd	156,352	-	100.00	48.04	51.96	156,352	-	100.00	48.38	51.62	Freight forwarding
Rogers Logistics Investment Holding Ltd (ii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	Investment holding
Rogers Logistics Services Company Ltd	100	-	100.00	48.04	51.96	100	-	100.00	48.38	51.62	Freight forwarding
Rogers Shipping Ltd	721	-	100.00	32.98	67.02	721	-	100.00	33.21	66.79	Freight forwarding
Rogers Shipping Pte Ltd	3	-	51.00	24.51	75.49	3	-	51.00	24.67	75.33	Shipping agency
Rongai Workshop & Transport Limited (ix)	4	-	100.00	47.31	52.69	-	-	-	-	-	Transport services
Southern Marine & Co Ltd	500	-	100.00	32.98	67.02	500	-	100.00	33.21	66.79	Shipping services
Sukpak Ltd	1,200	-	70.00	33.63	66.37	1,200	-	70.00	33.87	66.13	Packing of special sugars
Rennel Limited (v)	9,900	-	100.00	100.00	-	9,900	-	100.00	100.00	-	Courier service
Freight Link Limited (v)	-	-	-	-	-	1,001	-	100.00	100.00	-	Courier service
Transworld International Ltd	25	-	100.00	39.56	60.44	25	-	100.00	39.56	60.44	Dormant
Velogic Express Reunion	8,341	-	100.00	48.04	51.96	8,341	-	100.00	48.38	51.62	Courier
Velogic Garage Services Ltd	10,999	-	100.00	48.17	51.83	10,999	-	100.00	48.38	51.62	Transport company
Velogic Haulage Services Ltd	31,514	-	100.00	48.17	51.83	31,514	-	100.00	48.38	51.62	Transport services
Velogic Holding Company Ltd	1,019,294	-	80.44	48.04	51.96	1,019,294	-	66.20	48.38	51.62	Investment holding
Velogic India Private Ltd	11,156	-	100.00	48.04	51.96	11,156	-	100.00	48.38	51.62	Freight forwarding
Velogic Ltd	83,985	-	100.00	48.04	51.96	83,985	-	100.00	48.38	51.62	Freight forwarding
Velogic Sea Frigo R'Frigo S.A	4,085	-	100.00	48.04	51.96	4,085	-	100.00	48.38	51.62	Freight forwarding
VK Logistics Ltd	163,814	-	100.00	48.04	51.96	163,814	-	100.00	48.38	51.62	Investment holding
Hospitality:											
Adnarev Ltd	76,464	-	100.00	41.02	58.98	76,464	-	100.00	41.02	58.98	Hotel
Ario (Seychelles) Ltd	47	-	100.00	59.73	40.27	47	-	100.00	59.73	40.27	GSA of airlines
BEAVIA Kenya Limited	35	-	70.00	41.81	58.19	35	-	70.00	41.81	58.19	Travel agency

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

	2023					2022					
		Proportion of ownership interest					Proportion of ownership interest				
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Hospitality: (cont'd)											
Bel Ombre Seashells Co Ltd	1	-	100.00	41.03	58.97	1	-	100.00	41.03	58.97	Seashell museum
Blue Alize Ltd (ii)	-	-	80.00	32.81	67.19	-	-	80.00	32.81	67.19	Catamaran sightseeing tours
Blue Sky Madagascar SARLU	1,080	-	100.00	59.73	40.27	1,080	-	100.00	59.73	40.27	Travel agency
Blue Sky Réunion SAS	5,513	-	100.00	59.73	40.27	5,513	-	100.00	59.73	40.27	Travel agency
BookSimply Ltd	1	-	100.00	41.03	58.97	1	-	100.00	41.03	58.97	Reservation of leisure activities
BS Travel Management Limitada	216	-	100.00	59.73	40.27	216	-	100.00	59.73	40.27	GSA of airlines
BS Travel Management Ltd	25,000	-	100.00	59.73	40.27	25,000	-	100.00	59.73	40.27	Travel agency
BS Travel Mayotte (ii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	Travel agency
Croisières Australes Ltée	3,225	-	100.00	41.02	58.98	3,225	-	100.00	41.02	58.98	Catamaran sightseeing tours
DOMC Ltd	120,300	-	51.00	20.92	79.08	120,300	-	40.00	20.16	79.84	Leisure
Cap D'Abondance Ltd	22,000	-	100.00	41.02	58.98	22,000	-	100.00	41.02	58.98	Leisure
Heritage Events Company Limited	100	-	100.00	41.02	58.98	100	-	100.00	41.02	58.98	Investment holding
Heritage Golf Club Ltd	310,350	-	100.00	59.73	40.27	310,350	-	100.00	59.73	40.27	Golf course
Heritage Golf Management Ltd	500	-	75.00	30.80	69.20	500	-	75.00	29.64	70.36	Golf management
Hotels Operations Company Ltd	10	-	100.00	41.02	58.98	10	-	100.00	41.02	58.98	Hotels operations
Restaurants Operations Company Ltd	10	-	100.00	41.02	58.98	10	-	100.00	41.02	58.98	Restaurants operations
Island Holidays (ii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	Online tour operating
Islandian SARL	461	-	90.50	37.15	62.85	461	-	90.50	37.15	62.85	Online tour operating
Plaisance Air Transport Services Ltd	1,500	-	100.00	59.73	40.27	1,500	-	100.00	59.73	40.27	Warehousing
Rogers Aviation (Mauritius) Ltd	2,525	-	100.00	59.73	40.27	2,525	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Comores S.A.R.L	824	-	100.00	59.73	40.27	824	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation France S.A.R.L	20,760	-	100.00	59.73	40.27	20,760	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Holding Company Ltd	115,410	-	100.00	59.73	40.27	115,410	-	100.00	59.73	40.27	Investment holding
Rogers Aviation International Ltd	51,390	-	100.00	59.73	40.27	51,390	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Kenya Ltd	396	-	100.00	59.73	40.27	396	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Madagascar S.A.R.L	1,910	-	100.00	59.73	40.27	1,910	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Mayotte S.A.R.L	490	-	100.00	59.73	40.27	490	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Mozambique Limitada	4,349	-	100.00	59.73	40.27	4,349	-	100.00	59.73	40.27	GSA of airlines
Case Noyale Ltée	7	-	53.60	22.30	77.70	7	-	53.60	22.30	77.70	Agriculture and leisure
Rogers Aviation Reunion S.A.R.L	20,001	-	100.00	59.73	40.27	20,001	-	100.00	59.73	40.27	GSA of airlines
Rogers Aviation Senegal S.A.R.L (ii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	GSA of airlines, travel agency and tour operator
Rogers Aviation South Africa (PTY) Ltd (ii)	-	-	100.00	59.73	40.27	-	-	100.00	59.73	40.27	GSA of airlines

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

Name of company	2023 Stated capital Rs'000	2023 Proportion of ownership interest: Holding company %	2023 Subsidiary companies %	2023 Effective holding %	2023 Non-controlling interests %	2022 Stated capital Rs'000	2022 Proportion of ownership interest: Holding company %	2022 Subsidiary companies %	2022 Effective holding %	2022 Non-controlling interests %	Main business
Hospitality: (cont'd)											
Rogers Hospitality Group Ltd	**1**	**-**	**100.00**	**59.73**	**40.27**	1	-	-	41.03	58.97	Reservation of leisure activities
Rogers Hospitality Management Co Ltd	**1**	**-**	**100.00**	**41.03**	**58.97**	1	-	100.00	41.03	58.97	Management company
Rogers Hospitality Property Fund Ltd	**1**	**-**	**100.00**	**41.03**	**58.97**	1	-	100.00	41.03	58.97	Seashell museum
Rogers Hospitality Training Ltd	**1,015**	**-**	**100.00**	**41.03**	**58.97**	1,015	-	100.00	41.03	58.97	Training
Run Tourisme	**5,503**	**-**	**100.00**	**41.03**	**58.97**	5,503	-	100.00	41.03	58.97	Travel Agency
Seven Colours Spa Ltd	**20,025**	**-**	**100.00**	**41.03**	**58.97**	20,025	-	100.00	42.35	57.65	Management services
Sports-Event Management Operation Co Ltd	**7,501**	**-**	**100.00**	**27.71**	**72.29**	7,501	-	100.00	27.71	72.29	Leisure
Sweetwater Ltd	**17,300**	**-**	**70.60**	**28.97**	**71.03**	17,300	-	48.50	28.97	71.03	Leisure
Transcontinent S.A.R.L	**617**	**-**	**70.80**	**42.29**	**57.71**	617	-	70.80	42.29	57.71	Travel agency
Veranda Tamarin Ltd	**210,000**	**-**	**48.60**	**29.03**	**70.97**	210,000	-	48.60	29.03	70.97	Hotel
VLH Training Ltd	**1,015**	**-**	**100.00**	**42.35**	**57.65**	1,015	-	100.00	42.35	57.65	Management services
Bagatelle Hotel Operations Company Limited	**60,424**	**-**	**100.00**	**41.02**	**58.98**	60,424	-	100.00	41.02	58.98	Provision of hotel and hospitality services
CCC LAH Limited (i)	**14,500**	**-**	**86.20**	**41.02**	**58.98**	14,500	-	86.20	35.57	64.43	Restaurant operator
Island Living Ltd (x)	**-**	**-**	**-**	**-**	**-**	213,382	-	100.00	41.02	58.98	Investment holding
Seafood Basket Limited	**25,107**	**-**	**100.00**	**41.02**	**58.98**	25,107	-	100.00	41.02	58.98	Restaurant operator
Agribusiness:											
Agrex Limited	**7,540**	**-**	**100.00**	**100.00**	**-**	7,540	-	100.00	100.00	-	Sale of agro-supply products
Agria Ltd (formerly Cie. Sucrière de Bel Ombre Ltd)	**33,300**	**-**	**53.50**	**22.26**	**77.81**	33,300	-	53.50	22.19	77.81	Agriculture & investment
ENL Agri Ltd	**480,000**	**100.00**	**-**	**100.00**	**-**	430,000	100.00	-	100.00	-	Agricultural activities
Enquickfix Limited	**1,201**	**-**	**100.00**	**100.00**	**-**	1,201	-	100.00	100.00	-	Dormant
ESP Cleaning Ltd	**10**		**100.00**	**100.00**	**-**	10		100.00	100.00	-	Cleaning services
ESP Landscapers Ltd	**10,000**	**-**	**100.00**	**100.00**	**-**	10,000	-	100.00	100.00	-	Landscaping services
Field Good Fresh Foods Limited	**8,025**	**-**	**100.00**	**100.00**	**-**	8,025	-	100.00	100.00	-	Packaging and non-specialised wholesale trade
Mon Desert Alma Sugar Milling Company Limited	**83,934**	**-**	**80.00**	**80.00**	**20.00**	83,934	-	80.00	80.00	20.00	Agricultural activities
SB Cattle Ltd	**21,000**	**100.00**	**-**	**100.00**	**-**	21,000	100.00	-	100.00	-	Farming
Real estate:											
Ascencia Limited (iii)	**4,460,068**	**24.90**	**36.14**	**46.45**	**53.55**	4,460,068	24.90	36.14	46.45	53.55	Property Fund
Bagaprop Limited (iii)	**-**	**-**	**-**	**-**	**-**	1,252,101	-	100.00	46.45	53.55	Property
Enatt Ltd	**74,790**	**19.71**	**37.10**	**56.81**	**43.20**	74,790	19.71	37.10	56.80	43.20	Property and asset management

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

Name of company	2023 Stated capital Rs'000	2023 Proportion of ownership interest: Holding company %	2023 Subsidiary companies %	2023 Effective holding %	2023 Non-controlling interests %	2022 Stated capital Rs'000	2022 Proportion of ownership interest: Holding company %	2022 Subsidiary companies %	2022 Effective holding %	2022 Non-controlling interests %	Main business
Real estate: (cont'd)											
ENL Property Limited	**5,258,007**	**100.00**	**-**	**100.00**	**-**	4,868,007	100.00	-	100.00	-	Property development services
Foresite Property Holding Ltd	**1,028,269**	**-**	**100.00**	**59.73**	**40.27**	1,028,269	-	100.00	59.73	40.27	Property
FPHL Infra Ltd	**27,531**	**-**	**80.27**	**80.27**	**19.73**	27,531	-	80.27	80.27	19.73	Dormant
Les Villas de Bel Ombre Amenities Ltd	**35**	**-**	**100.00**	**13.35**	**86.65**	35	-	100.00	13.35	86.65	Construction of sports complex and beach club for IRS home owners association
Le Floreal Commercial Centre Limited (iii)	**-**	**-**	**-**	**-**	**-**	324,000	-	100.00	46.45	53.55	Property
Les Villas de Bel Ombre Ltée	**291,135**	**40.00**	**60.00**	**53.35**	**46.65**	291,135	40.00	60.00	53.35	46.65	Construction and sale of villas
Moka City Limited	**3,858,940**	**-**	**63.67**	**63.67**	**36.33**	4,108,940	-	63.67	63.67	36.33	Land and property developer
Moka Smart City Management Ltd	**1**	**-**	**63.67**	**63.67**	**36.33**	1	-	63.67	63.67	36.33	Land and property developer
Motor Traders Ltd	**700**	**-**	**100.00**	**59.73**	**40.27**	700	-	100.00	59.73	40.27	Property
Reliance Facilities Ltd (ii)	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	Dormant
Reliance Security Services Ltd (ii)	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	Dormant
Reliance Systems Ltd (ii)	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	Dormant
S&W Synergy Limited	**41,911**	**34.88**	**53.49**	**68.94**	**31.06**	41,911	34.88	53.49	68.94	31.06	Management of sports complex
Savannah Land Development Ltd	**160,000**	**-**	**100.00**	**100.00**	**-**	1	-	100.00	100.00	-	Land and property developer
Savannah Properties Ltd	**1**	**100.00**	**-**	**100.00**	**-**	1	100.00	-	100.00	-	Land and property developer
Savannah Smart City Limited (vi)	**1,010,002**	**-**	**100.00**	**100.00**	**-**	1	-	100.00	100.00	-	Land and property developer
Societé Du Courlis (ii)	**7,000**	**100.00**	**-**	**100.00**	**-**	7,000	100.00	-	100.00	-	Rental of bungalows
South West Tourism Development Co. Ltd	**4,950**	**-**	**68.90**	**41.12**	**58.88**	4,950	-	68.90	41.12	58.88	Investment holding
Oficea Company Limited (iv) & (viii)	**1,583,371**	**1.99**	**77.55**	**79.54**	**20.46**	1,319,371	1.99	77.55	79.54	20.46	Rental of offices
Oficea Workspitality Ltd (iv)	**-**	**-**	**-**	**-**	**-**	2,000	-	79.54	79.54	20.46	Rental of offices
Villas Valriche Resorts Ltd	**1**	**-**	**100.00**	**32.19**	**67.81**	1	-	100.00	32.19	67.81	Rental pool management company
Courchamps Development Limited (vii)	**-**	**-**	**-**	**-**	**-**	199,735	-	100.00	100.00	-	Property

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(f) The list of the group's subsidiary companies at June 30, 2023 and 2022 were as follows: (cont'd)

	2023					2022					
		Proportion of ownership interest					Proportion of ownership interest				
Name of company	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Stated capital	Holding company	Subsidiary companies	Effective holding	Non-controlling interests	Main business
	Rs'000	%	%	%	%	Rs'000	%	%	%	%	
Real estate: (Cont'd)											
Courchamps Properties Limited (vii)	**810,008**	**-**	**100.00**	**100.00**	**-**	358,008	-	100.00	100.00	-	Property
ENL Residentiel Limited (previously known as Moka Residentiel Limited)	**40,000**	**-**	**100.00**	**100.00**	**-**	40,000	-	100.00	100.00	-	Property
Terroirs Mauricien Ltd	**1**	**-**	**100.00**	**22.28**	**77.72**	1	-	100.00	22.28	77.72	Sale of agricultural products
Telfair Apartments Limited	**10,000**	**-**	**100.00**	**67.00**	**33.00**	1	-	100.00	67.00	33.00	Property
Telfair Square Limited (viii)	**-**	**-**	**-**	**-**	**-**	116,001	-	100.00	79.54	20.46	Property
Gros Bois Development Limited (vi)	**-**	**-**	**-**	**-**	**-**	180,001	-	100.00	100.00	-	Property
Sygeco Limited (i)	**801**	**75.00**	**-**	**75.00**	**25.00**	801	-	100.00	100.00	-	Provision of syndic services
La Place du Village Limited	**4,701**	**-**	**100.00**	**100.00**	**-**	1	-	100.00	100.00	-	Restaurant operator
Ti Pouce Limited	**151**	**-**	**100.00**	**100.00**	**-**	-	-	-	-	-	Child day-care activities/ Kindergarten

Ordinary shares are issued by the above subsidiaries and their statutory reporting date is June 30, 2023. For subsidiary companies which have an effective holding % of less than 50%, refer to note 4.1 on judgement for more details.

Bank borrowings are secured on some of the group's investments. Refer to note 22 for further details.

(i) Change in shareholding did not result in change in control for these subsidiaries.

(ii) The stated capital of these companies are less than Rs.1,000 and has been rounded to the nearest Rs'000.

(iii) On July 1 2022, Ascencia Limited, a subsidiary company, amalgamated with its wholly owned subsidiary companies, namely Bagaprop Ltd, Le Floreal Commercial Centre Limited and The Beau Vallon Shopping Mall Ltd with the surviving company being Ascencia Limited. The transaction has no impact on the Group.

(iv) On September 1 2022, Oficea Workspitality Ltd , a subsidiary company, amalgamated with another subsidiary company, namely Oficea Company Limited.

(v) On October 1 2022, Freight Link Limited, a subsidiary company, amalgamated with another subsidiary company, namely Rennel Limited.

(vi) On October 1 2022, Gros Bois Development Limited, a subsidiary company, amalgamated with another subsidiary company, namely Savannah Smart City Limited.

(vii) On January 1 2023, Rogers Capital Ltd, a subsidiary company, disposed 51% stake in Rogers Capital Finance Limited while retaining 49% stake in the latter. This transaction has resulted in a change status of RCFL from investment in subsidiary to investment in associated company. Refer to note 44 for more details.

(viii) On January 1 2023, Courchamps Development Limited, a subsidiary company, amalgamated with another subsidiary company, namely Courchamps Properties Limited.

(ix) On May 1 2023, Telfair Square Limited, a subsidiary company, amalgamated with another subsidiary company, namely Oficea Company Limited .

(x) On July 1, 2022, Rogers Hospitality Operations Ltd, a subsidiary company, amalgamated with its wholly owned subsidiary company, namely Island Living Limited with the surviving company being Rogers Hospitality Operations Ltd. The transaction has no impact on the group.

(xi) New subsidiary during the year; refer to notes 33 and 44 for more details.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(g) The above subsidiary companies are incorporated and operate in Mauritius, except for:

	Country of incorporation/Place of business
Ario (Seychelles) Ltd	Republic of Seychelles
Border Air Ltd	Republic of South Africa
BS Madagascar SARLU	Republic of Malagasy
BS Travel Management Limitada	Republic of Mozambique
BS Travel Mayotte	Mayotte
BEAVIA Kenya Limited	Republic of Kenya
Blue Sky Réunion SAS	Reunion Island
Cargo Express Madagascar S.A.R.L.	Republic of Malagasy
Enterprise Information Systems Ltd (Kenya)	Republic of Kenya
Gencargo (Transport) Limited	Republic of Kenya
General Cargo Services Limited	Republic of Kenya
Islandian S.A.R.L	Reunion Island
Rogers Capital Corporate Services (Singapore) Pte Ltd	Republic of Singapore
Rogers Aviation Comores S.A.R.L.	Republic of Comores
Rogers Aviation France S.A.R.L.	Reunion Island
Rogers Aviation Kenya Ltd	Republic of Kenya
Rogers Aviation Madagascar S.A.R.L.	Republic of Malagasy
Rogers Aviation Mayotte S.A.R.L.	Mayotte
Rogers Aviation Mozambique Limitada	Republic of Mozambique
Rogers Aviation Senegal S.A.R.L.	Republic of Senegal
Rogers Aviation South Africa (Pty) Ltd	Republic of South Africa
Rogers Shipping Pte Ltd	Republic of Singapore
Rongai Workshop & Transport Limited	Republic of Kenya
Transcontinent S.A.R.L.	Republic of Malagasy
Velogic Express Reunion	Reunion Island
Velogic India Private Ltd	Republic of India
Velogic Sea Frigo RTrigo SA	Reunion Island

(h) During the financial year June 2023, the group effected the following changes in proportion of effective ownership interests in subsidiaries that do not result in a loss of control. The net impact of these changes in shareholding resulted in an increase of Rs.36.6m (2022: a decrease of Rs.7.6m) in revaluation reserves and retained earnings and an increase of Rs.12m (2022: a decrease of Rs.569.4m) in non-controlling interests.

Year ended June 30 2023

Hospitality

Acquisition of the remaining 13.79% stake in CCCLAH Limited

On October 19, 2022, Rogers Hospitality Operations Limited, a subsidiary company acquired the remaining 13.79% stake in CCCLAH Limited for a total consideration of Rs.6m. This has resulted in consolidating CCCLAH Limited using an effective stake of 68.68% instead of 59.21%. The net impact of these changes in shareholding resulted in a decrease of Rs.2m on retained earnings and a decrease of Rs.2m on non-controlling interests.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(h) **Year ended June 30 2023 (cont'd)**

Corporate

Disposal of 0.58% stake in Velogic Holding Company Ltd (''Velogic'')

On October 7, 2022 and October 11, 2022, Rogers Logistics Investment Holding Ltd, a subsidiary company, disposed 0.56% stake and 0.02% stake in Velogic Holding Company Limited respectively for a total consideration of Rs.13.9m.This has resulted in consolidating Velogic using an effective stake of 80.44% compared to 81.02% in 2022.The net impact of these changes in shareholding resulted in an increase of Rs.6m on retained earnings and an increase of Rs.9m in non-controlling interests.

Year ended June 30 2022

FinTech

Rogers Capital Ltd – Issue of ordinary shares to Swan Life Limited

On February 4, 2022, Rogers Capital Ltd, a subsidiary company, issued 18,264,840 ordinary shares to Swan Life Limited for a total consideration of Rs.200m. This has resulted in consolidating Rogers Capital Ltd using an effective stake of 58.17% instead of 68.95%.The net impact of these changes in shareholding resulted in a an increase of Rs.133m on retained earnings and a decrease of Rs.133m in non-controlling interests.

Hospitality

Veranda Tamarin Ltd.- Issue of ordinary shares and preference shares to Rogers Hospitality Operations Ltd

On May 16, 2022, Veranda Tamarin Ltd, a subsidiary company issued 101,135 ordinary shares and 40,454 preference shares with voting rights to Rogers Hospitality Operations Ltd for a total consideration of Rs.105m. This has resulted in consolidating Veranda Tamarin Ltd using an effective stake of 48.58% instead of 35.03%. The net impact of these changes in shareholding resulted in a decrease of Rs.34m on retained earnings and an increase of Rs.34m on non-controlling interests.

Real estate

The shareholding of S&W Synergy Limited, Courchamps Development Limited and Telfair Square Limited have changed due to re-structuring within the group.

Refer to note 33(e) for the change in the shareholding of The Beau Vallon Shopping Mall Limited.

(i) **NON-CONTROLLING INTERESTS**

	2023	2022
	Rs'000	Rs'000
(i) **At June 30,**	**17,545,828**	14,990,877

(ii) **Subsidiary companies with material non-controlling interests**

Details of subsidiary companies that have non-controlling interests that are material to the entity are given below:

	Profit allocated to non-controlling shareholders	Accumulated non-controlling interests at June 30,
2023	Rs'000	Rs'000
Rogers & Co Ltd	**1,542,686**	**18,123,030**
2022		
Rogers & Co Ltd	1,190,825	15,233,958

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

9. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(j) **Summarised financial information on subsidiaries with material non-controlling interests**

(i) Summarised statement of financial position and statement of profit or loss and other comprehensive income:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit for the year	Other comprehensive income for the year	Total comprehensive income for the year	Dividend paid to non- controlling shareholders
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Rogers & Co Ltd	**6,457,820**	**40,454,200**	**5,716,550**	**15,194,800**	**11,920,700**	**2,420,000**	**1,891,500**	**4,311,500**	**370,700**
2022									
Rogers & Co Ltd	6,866,800	36,837,500	8,431,100	13,540,200	9,744,600	1,776,000	751,100	2,527,100	307,800

(ii) Summarised cash flow information:

	Operating activities	Investing activities	Financing activities	Net increase/ (decrease) in cash and cash equivalents
2023	Rs'000	Rs'000	Rs'000	Rs'000
Rogers & Co Ltd	**2,864,980**	**(1,423,100)**	**(1,308,900)**	**132,980**
2022				
Rogers & Co Ltd	2,231,500	(1,404,800)	(897,500)	(70,800)

The summarised financial information provided above is inclusive of intra-group transactions.

(k) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the group using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Control on subsidiary companies

For subsidiary companies which have an effective holding % of less than 50%, refer to note 4(a)(i) on judgement for more details.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES

(a) **Accounting policy**

Separate financial statements of the investor

Investments in associated companies are carried at fair value.

Consolidated financial statements

An associated company is an entity over which the group has significant influence but not control or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associated companies are accounted for under the equity method.

The group's investments in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Investments in associated companies are initially recognised at cost as adjusted for post acquisition changes in the group's share of the net assets of the associated companies less any impairment in the value of individual investments.

Any excess of the cost of acquisition over the group's share of the net fair value of the associated company's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill and is included in the carrying amount of the investment. Any excess of the group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition is included in profit or loss.

Goodwill arising on the acquisition of a jointly controlled entity or an associate is included with the carrying amount of the jointly controlled entity or associate and tested annually for impairment.

When the group's share of losses exceeds its interest in an associated company, the group discontinues recognising further losses unless it has legal or constructive obligations or made payments on behalf of the associated company.

The results of associated companies acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interests in the associated company. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associated companies to bring the accounting policies used in line with those adopted by the group.

If the ownership in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) THE GROUP

	2023	2022
	Rs'000	Rs'000
At July 1,	**10,197,339**	8,798,006
Additions*	**158,716**	16,823
Share of results of associated companies	**1,568,722**	554,635
Share of other comprehensive income of associated companies	**(220,128)**	992,309
Dividend	**(264,491)**	(164,434)
Movements in non distributable reserves**	**(424,091)**	-
At June 30,	**11,016,067**	10,197,339

* Included in additions relates to acquisition of 49% shares of Rogers Capital Finance Ltd which was previously a subsidiary company. Refer to note 49 for more details.

** Movement in non distributable reserves comprise of specific adjustments made in one associated company with regards to its statutory requirements.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(c) The group's interests in its associated companies are as follows:

	Year end	Country of incorporation	2023 Proportion of ownership interest Holding company	2023 Subsidiary companies	2023 Effective holding	2022 Proportion of ownership interest Holding company	2022 Subsidiary companies	2022 Effective holding	Principal activity
			%	%	%	%	%	%	
Société Helicophanta	Dec 31,	Mauritius	**-**	**25.40**	**15.17**	-	25.40	15.17	Breeding and export of primates
Société CTEG	June 30,	Mauritius	**8.70**	**17.50**	**18.29**	8.70	17.50	18.29	Tertiary education
Management and Development Company Limited	June 30,	Mauritius	**-**	**34.98**	**39.00**	-	34.98	39.00	Investment holding
Société Amstramdram	June 30,	Mauritius	**-**	**48.98**	**48.98**	-	48.98	48.98	Investment holding
Savannah International School Ltd	June 30,	Mauritius	**-**	**30.00**	**30.00**	-	30.00	30.00	Education
Emerald (Mauritius) Ltd	June 30,	Mauritius	**50.00**	**-**	**50.00**	50.00	-	50.00	Dormant
Formation Recrutement et Conseil en Informatique Limitee	June 30,	Mauritius	**-**	**47.14**	**47.14**	-	47.14	47.14	Provider of IT services
Interex S.A.	June 30,	Madagascar	**-**	**50.00**	**50.00**	-	50.00	50.00	Courier services
Mauritian Commodities and Allied Services Company Ltd	Sep 30,	Mauritius	**-**	**25.60**	**15.29**	-	25.60	15.29	Coal supplier
Retail Lab Ltd	June 30,	Mauritius	**-**	**50.00**	**28.40**	-	50.00	28.40	Marketing activities
Sainte Marie Crushing Plant Ltd	June 30,	Mauritius	**-**	**8.80**	**5.26**	-	8.80	5.26	Manufacture and sale of building materials
Superdist Ltd	Dec 31,	Mauritius	**-**	**45.00**	**45.00**	-	45.00	45.00	IT hardware wholesaler
Superdist SARL (i)	Dec 31,	Madagascar	**-**	**45.00**	**45.00**	-	-	-	IT hardware wholesaler
Building & Civil Engineering Co. Ltd	June 30,	Mauritius	**-**	**30.00**	**30.00**	-	30.00	30.00	Construction
B.R.E Ltd	June 30,	Mauritius	**-**	**29.79**	**29.79**	-	29.79	29.79	Property
Footfive Limited	June 30,	Mauritius	**-**	**25.00**	**25.00**	-	25.00	25.00	Rental of gymnasium
Le Morne Development Corporation Ltd	Sep 30,	Mauritius	**-**	**20.00**	**11.95**	-	20.00	11.95	Property
Semaris Limited	June 30,	Mauritius	**15.24**	**22.90**	**28.98**	15.24	22.90	28.98	Property
Air Cargo Service Madagascar Ltd	Dec 31,	Madagascar	**-**	**50.00**	**29.87**	-	50.00	29.87	Ground handling services
Blue Connect Ltd	Sep 30,	Mauritius	**-**	**30.00**	**17.92**	-	30.00	17.92	Business process outsourcing
Lagoona Cruise Ltd	June 30,	Mauritius	**-**	**33.00**	**19.71**	-	33.00	19.71	Boat cruises activities
Mozambique Airport Handling Services Limitada	Sep 30,	Mozambique	**-**	**29.00**	**17.32**	-	29.00	17.32	Ground handling services
New Mauritius Hotels Limited	June 30,	Mauritius	**15.24**	**22.90**	**28.92**	15.24	22.90	28.92	Hospitality
Société Pur Blanca	Sep 30,	Mauritius	**-**	**49.00**	**29.27**	-	49.00	29.27	Investment
Swan Financial Solutions Ltd	Dec 31,	Mauritius	**-**	**20.00**	**11.95**	-	20.00	11.95	Insurance
Swan General Ltd	Dec 31,	Mauritius	**-**	**29.40**	**17.56**	-	29.40	17.56	Insurance
Rogers Capital Finance Limited (ii)	June 30,	Mauritius	**-**	**49.00**	**29.27**	-	-	-	Leasing businesses
The Mall of Limassol (ML) LTD (iii)	Dec 31,	Cyprus	**-**	**20.00**	**3.94**	-	-	-	Development and ownership of the mall

(i) Superdist SARL is a new associate of the group.
(ii) Change in status from subsidiary to associated companies
(iii) The Mall of Limassol (ML) LTD is a new associate of the group, however it has not yet started its operations.

The above associates have been accounted for using the equity method.

For associated companies having different reporting date, management accounts have been prepared at June 30, 2023. The financial information of Swan used for equity accounting is for the 12 months ended March 31, 2023 and March 31, 2022.

Bank borrowings are secured on some of the group's assets. Please refer to note 22 for further details.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(d) **Summarised financial information in respect of the group's principal associated companies is set out below:**

	Year end	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Profit/(loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year
2023		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Société CTEG	**June 30,**	**138,250**	**574,587**	**105,171**	**72,712**	**272,222**	**41,200**	**60,703**	**101,903**
Formation Recrutement & Conseil en Informatique Limitée	**June 30,**	**328,550**	**49,907**	**290,448**	**29,608**	**816,643**	**36,743**	**-**	**36,743**
Management and Development Company Limited	**June 30,**	**7,375,285**	**14,083,560**	**5,128,449**	**4,102,000**	**19,706,157**	**670,582**	**442,486**	**1,113,068**
New Mauritius Hotels Limited	**June 30,**	**4,402,250**	**37,796,906**	**9,833,809**	**21,354,588**	**14,083,520**	**2,118,591**	**(806,700)**	**1,311,891**
Semaris Limited	**June 30,**	**5,234,171**	**2,253,804**	**1,499,119**	**2,462,755**	**265,490**	**(130,212)**	**98,378**	**(31,834)**
Superdist Limited	**Dec 31,**	**286,377**	**9,298**	**175,020**	**7,168**	**900,070**	**32,954**	**551**	**33,505**
Swan General Ltd	**Dec 31,**	**11,723,800**	**52,101,200**	**1,383,700**	**56,635,700**	**8,674,900**	**724,300**	**(489,100)**	**235,200**
Société Helicophanta	**Dec 31,**	**1,789,742**	**1,741,021**	**317,733**	**1,495,116**	**2,288,063**	**1,004,923**	**81,630**	**1,086,553**
2022									
Société CTEG	June 30,	65,135	498,811	57,978	71,112	217,751	53,752	30,553	84,305
Formation Recrutement & Conseil en Informatique Limitée	June 30,	251,112	51,591	190,424	25,621	576,629	29,296	(3,936)	25,360
Management and Development Company Limited	June 30,	6,981,191	13,119,723	5,425,979	3,790,352	14,435,035	310,857	305,880	616,737
New Mauritius Hotels Limited	June 30,	3,650,060	37,108,870	11,494,227	19,987,579	8,115,487	(64,768)	2,014,928	1,950,160
Semaris Limited	June 30,	4,466,701	2,220,803	1,697,524	1,415,850	466,465	52,592	(255,163)	(202,571)
Superdist Limited	Dec 31,	343,769	9,981	266,417	7,351	869,752	33,013	(596)	32,417
Swan General Ltd	Dec 31,	9,383,663	53,669,087	1,117,546	56,983,201	1,879,500	674,382	4,926,964	5,601,346
Société Helicophanta	Dec 31,	868,500	905,500	311,400	323,400	1,170,400	554,900	10,200	565,100

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(e) **Reconciliation of summarised financial information to the carrying amount recognised in the financial statements in respect of the material associates is set out below:**

2023	Opening net assets at July 1,	Profit/(loss) for the year	Dividends paid	Other comprehensive income for the year	(Transfer)/ change in ownership	Closing net assets at June 30,	Ownership interest	Interest in associates	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000		Rs'000	%	Rs'000	Rs'000
Société CTEG	**434,857**	**41,200**	**(28,100)**	**60,703**	**-**	**508,660**	**18.29**	**93,034**	**93,034**
Formation Recrutement & Conseil en Informatique Limitée	**86,658**	**36,743**	**(65,000)**	**-**	**-**	**58,401**	**47.14**	**27,530**	**27,530**
Management and Development Company Limited	**7,586,807**	**670,582**	**(100,000)**	**442,486**	**-**	**8,599,875**	**39.00**	**3,353,951**	**3,353,951**
New Mauritius Hotels Limited	**6,968,652**	**2,118,591**	**-**	**(806,700)**	**(1,120,024)**	**7,160,519**	**38.20**	**2,735,318**	**2,735,318**
Semaris Limited	**3,574,129**	**(130,212)**	**-**	**98,378**	**-**	**3,542,295**	**38.20**	**1,353,157**	**1,353,157**
Superdist Limited	**79,982**	**32,954**	**-**	**551**	**-**	**113,487**	**45.00**	**51,069**	**51,069**
Swan General Ltd	**4,952,003**	**724,300**	**(119,903)**	**(489,100)**	**-**	**5,067,300**	**29.47**	**1,493,333**	**1,493,333**
Société Helicophanta	**1,139,200**	**1,004,923**	**(445,109)**	**81,630**	**1,923**	**1,782,567**	**25.38**	**452,416**	**452,416**
2022									
Société CTEG	391,552	53,752	(41,000)	30,553	-	434,857	18.29	79,535	79,535
Formation Recrutement & Conseil en Informatique Limitée	61,298	29,296	-	(3,936)	-	86,658	47.14	40,851	40,851
Management and Development Company Limited	7,035,452	310,857	(75,000)	305,880	9,618	7,586,807	39.00	2,958,855	2,958,855
New Mauritius Hotels Limited	5,018,492	(64,768)	-	2,014,928	-	6,968,652	38.20	2,662,025	2,662,025
Semaris Limited	3,776,700	52,592	-	(255,163)	-	3,574,129	38.20	1,365,317	1,365,317
Superdist Limited	71,565	33,013	(24,000)	(596)	-	79,982	45.00	35,992	35,992
Swan General Ltd	3,983,533	674,382	(119,171)	4,926,964	(4,513,705)	4,952,003	29.47	1,459,355	1,459,355
Société Helicophanta	809,175	554,900	(235,075)	10,200	-	1,139,200	25.38	289,129	289,129

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(f) **Aggregate information of associated companies which are not individually material is as follows:**

	2023	2022
	Rs'000	Rs'000
Carrying amount of interests	**1,908,675**	1,595,409
Share of profit	**126,580**	186,732
Share of other comprehensive income	**(52,099)**	(1,254,914)
Share of total comprehensive income	**74,481**	(1,068,182)

(g) THE COMPANY

(i) **2023**

	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
At July 1	**862,300**	**355,500**	**1,217,800**
Fair value adjustment	**35,600**	**(48,000)**	**(12,400)**
At June 30,	**897,900**	**307,500**	**1,205,400**

(ii) 2022

	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000
At July 1	691,000	51,200	742,200
Transfer*	(96,600)	96,600	-
Fair value adjustment	267,900	207,700	475,600
At June 30,	862,300	355,500	1,217,800

* It relates to a transfer from level 2 to level 3 due to a change in the valuation method.

(h) The value of the securities was determined at June 30, 2023 by qualified independent professional valuers based on capitalised earnings. In assessing the fair value of the securities, assumptions have been made on the basis of market conditions existing at the end of each reporting date.

Investments included in level 1 comprise of quoted equity investments valued at their closing market prices. If all significant inputs required to fair value an investment are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

(i) THE COMPANY

Summarised financial information in respect of the company's principal associated companies is set out below:

	Year end	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit/(loss) for the year	Other comprehensive income for the year	Total comprehensive income for the year
2023		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Société CTEG	**June 30,**	**138,250**	**574,587**	**105,171**	**72,712**	**272,222**	**41,200**	**60,703**	**101,903**
New Mauritius Hotels Limited	**June 30,**	**4,402,250**	**37,796,906**	**9,833,809**	**21,354,588**	**14,083,520**	**2,118,591**	**(806,700)**	**1,311,891**
Semaris Limited	**June 30,**	**5,234,171**	**2,253,804**	**1,499,119**	**2,462,755**	**265,490**	**(130,212)**	**98,378**	**(31,834)**
2022									
Société CTEG	June 30,	65,135	498,811	57,978	71,112	217,751	53,752	30,553	84,305
New Mauritius Hotels Limited	June 30,	3,650,060	37,108,870	11,494,227	19,987,579	8,115,487	(64,768)	2,014,928	1,950,160
Semaris Limited	June 30,	4,466,701	2,220,803	1,697,524	1,415,850	466,465	52,592	(255,163)	(202,571)

Note:

Emerald (Mtius) Ltd, Green Create Nutra Limited and Sun Souvenir Ltd are dormant associated companies.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

The table below sets out information about significant unobservable inputs used at June 30, 2023 and 2022 in measuring financial instruments categorised as level 3 in the fair value hierarchy.

	Valuation technique	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
2023				
Société CTEG	Adjusted market multiple	Expected value/EBITDA	7.71x	The expected fair value will increase/(decrease) by Rs.0.9m, if the adjusted market multiple will be higher or lower by 1%.
2022				
Société CTEG	Adjusted market multiple	Expected value/EBITDA	7.71x	The expected fair value will increase/(decrease) by Rs.0.9m, if the adjusted market multiple will be higher or lower by 1%.

(j) **Critical accounting estimates**

Significant judgements and assumptions are made in determining whether an entity has significant influence over another entity. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts and circumstances. Refer to note 4(a)(i) for more details.

Fair value of securities not quoted on an active market

The fair value of securities not quoted on an active market is determined by the company using valuation methods which involve the use of judgement and estimates. Changes in assumptions about these factors could affect the reported fair value of investments.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

11. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

(a) **Accounting policy**

Consolidated financial statements

Jointly controlled entities are joint venture whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. It is the contractually agreed sharing of control of an arrangement which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

Investments in jointly controlled entities are accounted for under the equity method of accounting. Equity accounting involves recognising on the statement of comprehensive income the group's share of the jointly controlled entities' profit or loss and other comprehensive income for the year. The group's interests in the jointly controlled entities' are carried on the statement of financial position at an amount that reflects its share of the net assets of the entity. Goodwill is included within the carrying amount of the jointly controlled entity and tested yearly for impairment.

The results of jointly controlled entities acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of jointly controlled entities to bring the accounting policies used in line with those adopted by the group.

(b) THE GROUP

	2023	2022
	Rs'000	Rs'000
At July 1,	**40,783**	40,983
Share of loss for the year	**(3,800)**	(200)
Share of other comprehensive income for the year	**600**	-
At June 30,	**37,583**	40,783

(c) The group's interests in its unquoted jointly controlled entities are as follows:

			2023			2022			
			Proportion of ownership interest			Proportion of ownership interest			
	Year end	Country of incorporation	Holding company	Subsidiary companies	Effective holding	Holding company	Subsidiary companies	Effective holding	Principal activity
			%	%	%	%	%	%	
Jacotet Bay Ltd	June 30,	Mauritius	**-**	**50.00**	**11.18**	-	50.00	11.18	Property
FMVV Immobilier Ltee	June 30,	Mauritius	**-**	**50.00**	**11.18**	-	50.00	11.18	Property

The above jointly controlled entities are private companies and there is no quoted market price available for these shares. For jointly controlled entities having different reporting date, management accounts have been prepared at June 30, 2023.

The group consolidates the above named companies as jointly controlled entities despite effectively holding less than 50% as its subsidiary company namely Les Villas de Bel Ombre Limitee holds jointly controlled arrangements along with third parties in these companies.

Bank borrowings are secured on some of the group's assets. Please refer to note 22 for further details.

(d) **Critical accounting estimates**

Significant judgements and assumptions are made in determining whether an entity has joint control and the type of joint arrangement. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts and circumstances.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

12. INVESTMENTS IN FINANCIAL ASSETS

(a) **Accounting policy**

Financial assets

The group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired.

(i) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading and for which the group has made an irrevocable election to classify in this category. These are strategic investments and the group considers this classification to be more relevant. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal any balance within fair value reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve. Transfers between levels of the fair value hierarchy, are deemed to have occurred at the beginning of the reporting period.

(ii) Financial assets at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments that are held for trading; and

- equity investments for which the group has not elected to recognise fair value gains and losses through other comprehensive income.

Financial assets classified at fair value through profit or loss are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value being recognised in profit or loss.

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Investments are initially measured at cost inclusive of transaction costs except for financial assets at fair value through profit or loss whereby transaction costs are expensed. All financial assets measured at fair value through profit or loss are designated upon initial recognition.

Subsequent measurement

Financial assets are subsequently carried at fair value. The fair value of some quoted investments are based on current bid prices. If the market for the financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, adjusted net asset value, capitalised earnings method, dividend yield method and market prices refined to reflect the issuer's specific circumstances. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are reflected at cost.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

(i) Equity investments at fair value through other comprehensive income:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**578,211**	484,145	**106,475**	92,515
Additions	**75,172**	32,294	**-**	3,000
Disposals*	**(13,400)**	(72,363)	**(700)**	-
Change in fair value	**(22,125)**	141,827	**(15,162)**	10,960
Capital reduction	**(2,137)**	(892)	**-**	-
Reclassify to financial asset at amortised cost	**-**	(6,800)	**-**	-
At June 30,	**615,721**	578,211	**90,613**	106,475

(ii) Fair value through other comprehensive income financial assets include the following:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Quoted/level 1:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Tropical Paradise Co Ltd (Ordinary shares)	**64,787**	88,100	**64,787**	78,100
- Tropical Paradise Co Ltd (Preference shares)	**16,813**	18,700	**16,813**	18,700
- Others	**13,553**	15,515	**38**	-
	95,153	122,315	**81,638**	96,800
Unquoted/level 3:				
- Luminar Ventures AB	**75,700**	111,200	**-**	-
- Omnisient PTY Ltd	**103,600**	32,200	**-**	-
- CONNECKT4	**82,000**	35,500	**-**	-
- Peach Bots Proprietary Limited	**43,800**	69,100	**-**	-
- ETERNUM Ltd	**43,600**	13,100	**-**	-
- Reuniwatt	**45,600**	8,300	**-**	-
- Central Depository and Settlement Ltd	**111,800**	86,300	**-**	-
- Others	**14,468**	100,196	**8,975**	9,675
	520,568	455,896	**8,975**	9,675
Total	**615,721**	578,211	**90,613**	106,475

The fair value hierarchy for financial assets fair value for other comprehensive income is as below:

THE GROUP	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
2023			
At July 1,	**122,315**	**455,896**	**578,211**
Additions	**-**	**75,172**	**75,172**
Disposals*	**(400)**	**(13,000)**	**(13,400)**
Fair value adjustments	**(26,762)**	**4,637**	**(22,125)**
Capital reduction	**-**	**(2,137)**	**(2,137)**
At June 30,	**95,153**	**520,568**	**615,721**

* Disposals include redemption of shares.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)**

THE GROUP (CONT'D)	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
2022			
At July 1,	105,915	378,230	484,145
Additions	-	32,294	32,294
Disposals**	(10,100)	(63,155)	(73,255)
Fair value adjustments	26,500	115,327	141,827
Reclassify to financial asset at amortised cost	-	(6,800)	(6,800)
At June 30,	122,315	455,896	578,211

THE COMPANY	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
2023			
At July 1,	**96,800**	**9,675**	**106,475**
Disposals	**-**	**(700)**	**(700)**
Fair value adjustments	**(15,162)**	**-**	**(15,162)**
At June 30,	**81,638**	**8,975**	**90,613**
2022			
At July 1,	82,140	10,375	92,515
Additions*	-	3,000	3,000
Change in fair value	14,660	(3,700)	10,960
At June 30,	96,800	9,675	106,475

* The additions of Rs.3m relates to advances provided by the parent company to a subsidiary company and this was converted into stated capital in previous year.

** Disposals include redemption of shares.

There were no transfers between levels 1 and 3 during the year.

(iii) Financial assets measured at fair value through other comprehensive income include the group's strategic equity investments not held for trading. The group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.

(iv) The fair value of the securities was determined at June 30, 2023 by qualified independent professional valuers. The listed securities were valued based on market prices. The fair value of the unquoted securities is assessed using valuation techniques, namely earnings basis, dividend basis or net asset value.

Fair value hierarchy

The following table shows financial instrument recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(b) **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D)**

Fair value hierarchy (cont'd)

The group and the company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The table below sets out information about significant unobservable inputs used at June 30, 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

	Valuation technique		**Unobservable inputs**	**Multiple**	**Sensitivity to changes in significant unobservable inputs**
	2023	**2022**			
THE GROUP					
Central Depository and Settlement Ltd	Adjusted market multiple	Adjusted market multiple	Expected value/EBITDA	16.6x (2022: 16.2x)	The expected fair value will increase/(decrease) by Rs.0.6m (2022: Rs.0.6m), if the adjusted market multiple will be higher or lower by 1%.

For other investments, the fair valuation has been based on the net asset values which management believes is the best estimate of the fair value. If a 10% premium or discount is applied to the net asset value, the fair value would increase/(decrease) by Rs.2.1m (2022: Rs.2.4m) respectively.

(c) **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

(i) The carrying amounts of the financial assets at fair value through profit or loss are classified as follows:

THE GROUP AND THE COMPANY	Official market	DEM listed	Unquoted	Total
2023	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**39,101**	**20,399**	**2,270**	**61,770**
Additions	**-**	**-**	**232**	**232**
Change in fair value	**(8,321)**	**(12,649)**	**-**	**(20,970)**
At June 30,	**30,780**	**7,750**	**2,502**	**41,032**
2022				
At July 1,	34,151	18,219	2,270	54,640
Additions	-	1,000	-	1,000
Capital reduction	-	(554)	-	(554)
Change in fair value	4,950	1,734	-	6,684
At June 30,	39,101	20,399	2,270	61,770

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

12. INVESTMENTS IN FINANCIAL ASSETS (CONT'D)

(c) **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (CONT'D)**

(ii) **THE GROUP AND THE COMPANY**

	2023		
	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
Financial assets at fair value through profit or loss	**38,530**	**2,502**	**41,032**

THE GROUP AND THE COMPANY

	2022		
	Level 1	Level 3	Total
	Rs'000	Rs'000	Rs'000
Financial assets at fair value through profit or loss	59,500	2,270	61,770

(iii) The table below shows changes in level 3 instruments for the year ended June 30, 2023 and 2022:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**2,270**	2,270	**2,270**	2,270
Additions	**232**	-	**232**	-
At June 30,	**2,502**	2,270	**2,502**	2,270

(iv) The fair value of the securities was determined by qualified independent professional valuers at the end of the reporting period. Unquoted investments were valued using various methods of valuation and assumptions based on adjusted earnings and adjusted net assets. Listed investments were valued at closing market prices.

(v) Financial assets at fair value through profit or loss are denominated in Mauritian rupees.

(d) The carrying amount of the financial assets represent the maximum credit exposure.

(e) **Critical accounting estimates**

Fair value of securities not quoted on an active market

The group has elected to value its investment in securities not quoted in an active market using valuation techniques namely earnings, net asset value or discounted cash flows as appropriate. The group would exercise judgements and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

13. OTHER FINANCIAL ASSETS AT AMORTISED COST

(a) **Accounting policy**

Other financial assets at amortised costs include those assets held with a view of collecting contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transactions costs that are directly attributable to their acquisition or issue, are subsequently carried at amortised cost using the effective interest rate method less any provision from impairment.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(a) **Accounting policy (cont'd)**

Other receivables generally arise from transactions outside the usual operating activities of the group. For some of the loans, interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

In assessing whether the credit risk on financial assets at amortised cost has increased significantly since initial recognition, the group compares the risk of default occurring on the financial instruments at the reporting date with the risk of default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The group manages its financial assets at amortised cost by considering the purpose of their advances, the financial position and forecasted cash flows of the counterparties.

The group recognises an allowance for expected credit losses (ECLs) on receivables classified as financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

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

The group does not expect any default from the financial assets at amortised cost and is certain of the counterparties' ability to pay their debt as they become due in the normal course of business and/or in any adverse economic and business conditions. Consequently, the probability of default is therefore negligible and the group has not accounted for any impairment loss as deemed immaterial.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Non-current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Loans to subsidiary companies	**-**	-	**1,837,569**	1,837,569
Loans to other companies - unsecured	**74,500**	81,900	**-**	-
Loans to other companies - secured	**249**	248	**249**	249
	74,749	82,148	**1,837,818**	1,837,818
Current				
Loans to associated company	**9,693**	9,686	**9,693**	9,686
Other receivables	**1,787,832**	1,463,725	**62,125**	76,191
Less : Loss allowance for debt investments at amortised cost (see note (f))	**(6,316)**	(15,508)	**(15,552)**	(15,508)
	1,791,209	1,457,903	**56,266**	70,369
	1,865,958	1,540,051	**1,894,084**	1,908,187

The group has made an impairment by considering the previous repayment behaviours and assessing the future cash flow forecasts covering the contractual period of the loan. Following this assessment, loss allowance of Rs.6.3m (2022: Rs.15.5m) for the group and Rs.15.6m (2022: Rs.15.5m) for the company respectively was accounted for.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

13. OTHER FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(c) Loans to other companies are repayable by instalments after more than one year, and carry interest at the rate of 2.30% - 3.15%. The carrying amount of such loans receivables approximate their fair values as the loans are contracted on market-related terms.

(d) Non-current loans to subsidiary companies are repayable by June 2026 and carry interest at the rate of 6.25%.

Current loans to related parties are repayable on demand and are interest free. The carrying amount of such loans approximate their fair values.

(e) Other receivables

Other receivables include amount dues from non-group entities and advance payment with authorities arising in the ordinary course of business. The carrying amount of such other receivables approximate their fair values.

(f) Impairment and risk exposure

The loss allowance for the financial assets at amortised cost as at June 30, 2023 reconciles to the opening loss allowance on July 1, 2022 and to the closing loss allowance as at June 30, 2023. This relates to specific provision against long outstanding other receivables.

THE GROUP	2023 Other receivables	2022 Other receivables
	Rs'000	Rs'000
Loss allowance at July 1,	**15,508**	16,852
Allowance reversed in profit or loss during the year	**(9,192)**	(1,344)
Loss allowance at June 30,	**6,316**	15,508

The expected credit loss (ECL) provision amounting to Rs.15.6m (2022: Rs.15.5m) relates to credit impaired assets which are classified under Stage 3.

THE COMPANY	Related parties	Other receivables	Total
2023	Rs'000	Rs'000	Rs'000
Loss allowance at July 1,	**9,673**	**5,835**	**15,508**
Allowance recognised in profit or loss during the year	**-**	**44**	**44**
Loss allowance at June 30,	**9,673**	**5,879**	**15,552**
2022			
Loss allowance at July 1,	9,673	7,179	16,852
Allowance reversed in profit or loss during the year	-	(1,344)	(1,344)
Loss allowance at June 30,	9,673	5,835	15,508

(g) Financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian rupee	**1,865,958**	1,540,051	**1,894,084**	1,908,187

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES

(a) Accounting policy

(i) Recognition and initial measurement

The group initially recognises loans and advances towards finance leases, loans and advances towards hire purchase, other loans and advances and borrowings on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the group becomes a party to the contractual provisions of the instrument.

At initial recognition, the group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in statement in profit or loss.

(ii) Classification and subsequent measurement

Amortised cost and effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

When the group revises the estimates of future cash flows, the carrying amount of the respective financial assets is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in statement of profit or loss.

The group has the option to classify its financial assets in the following measurement categories:

• Fair value through profit or loss (FVPL);

• Fair value through other comprehensive income (FVOCI); or

• Amortised cost.

A description of each of the measurement category is given below:

• Under the amortised cost model, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'Interest income' using the effective interest rate (EIR) method.

• Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that arise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains or losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the statements of profit or loss and other comprehensive income as 'other gains and losses'.

• Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in statements of profit or loss in the period in which it arises. Interest income from these financial assets is included in 'Interest revenue calculated using the effective interest rate (EIR) method'.

Business model assessment

The group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

• the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

• how the performance of the portfolio is evaluated and reported to the group's management;

• the risks that affect the performance of the business model, the financial assets held within that business model and its strategy for how those risks are managed; and

• the frequency, volume and timing of sale in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The group has determined that it has one business model which includes held to collect business model. Financial assets at amortised cost include cash and cash equivalents, loans and advances towards finance leases, loans and advances toward hire purchase, other loans and advances and other assets.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(a) **Accounting policy (cont'd)**

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms; and
- terms that limit the group's claim to cash flows from specified assets (e.g. non-recourse loans).

Non-recourse loans

In some cases, loans made by the group that are secured by collateral of the borrower limit the group's claim to cash flows of the underlying collateral (non-recourse loans). The group applies judgment in assessing whether the non-recourse loans meet the SPPI criterion. The group typically considers the following information when making this judgement:

- whether the contractual arrangement specifically defines the amounts and dates of the cash payments of the loan;
- the fair value of the collateral relative to the amount of the secured financial asset;
- the ability and willingness of the borrower to make contractual payments, not withstanding a decline in the value of collateral;
- whether the borrower is an individual or a substantive operating entity or is a special-purpose entity;
- the group's risk of loss on the asset relative to a full-recourse loan;
- the extent to which the collateral represents all or a substantial portion of the borrower's assets; and
- whether the group will benefit from any upside from the underlying assets.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the group changes its business model for managing financial assets.

Subsequent measurement

Financial assets at amortised cost; these assets are subsequently measured at amortised cost using the effective interest method. Interest income and any impairment losses are recognised in the statements of profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire (see also (iv)), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the group is recognised as a separate asset or liability.

(iv) Modifications of financial assets

Financial assets

If the terms of a financial asset are modified, then the group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(a) **Accounting policy (cont'd)**

(iv) Modifications of financial assets (cont'd)

Financial assets (cont'd)

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest revenue calculated using the effective interest rate (EIR) method.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

(vi) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vii) Impairment

Impairment of financial assets

The group recognises loss allowances for expected credit losses (''ECL'') on the following financial instruments that are not measured at FVTPL:

- loans and advances towards hire purchase;
- loans and advances towards finance leases;
- other loans and advances; and
- other assets.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(a) **Accounting policy (cont'd)**

(vii) Impairment (cont'd)

Impairment of financial assets (cont'd)

The group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

• financial instruments that are determined to have low credit risk at the reporting date; and

• financial instruments on which credit risk has not increased significantly since their initial recognition.

The group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' (Ba1+). The group does not apply the low credit risk exemption to any other financial instruments. The group does not have a credit rating system to grade its loan customers but instead uses a credit scoring methodology to assess whether a customer is credit worthy or not. Accordingly only customers who are creditworthy are given credit facilities. The internal credit rating system of the group is based on the number of days outstanding. Thus all customers across three stages disclosed above, are assessed principally based on days outstanding.

Investment grade (staging) is defined as follows:

Stage 1: 0-34 days

Stage 2: 35-94 days

Stage 3: 95 days and above

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

• financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive);

• financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

• undrawn loan, finance lease and hire purchase commitments: as the present value of the difference between the contractual cash flows that are due to the group if the commitment is drawn down and the cash flows that the group expects to receive; and

• financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the group expects to recover.

Overview of ECL principles

The group applies the IFRS 9 general approach to measure expected credit losses which uses a 12 month and a lifetime expected loss allowance for loans and advances towards finance leases and other credit agreements. The expected credit losses under the 'general approach' can best be described using the following formula: Probability of Default (PD) x Loss given Default (LGD) x Exposure at Default (EAD).

The impairment requirements apply to financial assets measured at amortised cost. At initial recognition, allowance is required for expected credit losses (''ECL'') resulting from default events that are possible within the next 12 months ('12-month ECL').

In the event of a significant increase in credit risk, allowance is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default or otherwise credit impaired are in 'stage 3'.

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

Both Lifetime ECLs and 12-month ECLs are calculated on a collective basis, depending on the nature of the underlying portfolio of financial instruments which is on the basis of their product types.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(a) **Accounting policy (cont'd)**

(vii) Impairment (cont'd)

Overview of ECL principles (cont'd)

The lifetime expected loss rates ("LTECLs") are based on the group's historical credit losses based on the pattern of no movement of financial assets over a period of six months before reporting date, since the group is in its initial phase of providing loans and advances towards finance leases and other credit arrangements. An additional loss allowance for financial assets is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of financial asset. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the financial assets.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment the group considers quantitative and qualitative information based on the group's historical experience, credit risk assessment and forward-looking information. The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs (i.e., transfer from Stage 1 to Stage 2). If contractual payments are more than 34 days past due, the credit risk is deemed to have increased significantly since initial recognition.

Financial assets are classified as 'stage 3' where they are determined to be credit impaired. This includes exposures that are at least 95 days past due and where the obligor is unlikely to pay without recourse against available collateral.

Impairment is the difference between contractual and expected cash flows of a financial asset (e.g., finance lease, hire purchase or loan). ECL provision is discounted to present value using the original implicit rate/ effective interest rate. The group presents balance of the respective assets net of allowance for impairment.

The calculation of ECLs

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.

The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal whether scheduled by contract, or expected drawdowns on committed facilities.

Loss given default ("LGD") is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. Conceptually, LGD estimates are independent of a customer's probability of default. The LGD models ensure that the main drivers for losses (i.e., different levels and quality of collateralization and customer or product types or seniority of facility) are reflected in specific LGD factors. In our LGD models, we assign collateral type specific LGD parameters to the collateralized exposure (collateral value after application of haircuts).

The mechanics of the ECL method are summarised below:

• Stage 1: The 12-month ECL is calculated as the portion of Lifetime ECLs ("LTECLs") that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The group calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

• Stage 2: When a loan has shown a significant increase in credit risk since origination, the group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs lifetime of the instrument. These expected default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

• Stage 3: For loans considered credit-impaired, the company recognises the lifetime ECL for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

• If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.

• If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(a) **Accounting policy (cont'd)**

(vii) Impairment (cont'd)

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets carried at amortised cost are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

• significant financial difficulty of the borrower or issuer;

• a breach of contract such as a default or past-due event;

• the restructuring of a loan or advance by the group on terms that the group would not consider otherwise; and

• it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 95 days or more is considered credit-impaired even when the regulatory definition of default is different. The presumed 90 days backstop has been rebutted to align with the 5 days of grace days that are given to clients to settle their overdue balance.

Purchased or Originated Credit-Impaired ("POCI") financial assets

POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the Statements of Financial Position

Loss allowances for ECL are presented in the statements of financial position as follows:

• financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and

• financial guarantee contracts: generally, as a provision.

Write-offs

Loans are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in 'impairment losses on financial instruments' in the statements of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(b) **Gross investment**

2023	Finance leases	Hire purchase and consumer finance agreement	Other loans and advances	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
Within one year	**-**	**290,900**	**81,200**	**372,100**
After one year and before two years	**-**	**170,300**	**45,300**	**215,600**
After two years and before five years	**-**	**72,600**	**35,600**	**108,200**
Loans and advances before allowance for impairment	**-**	**533,800**	**162,100**	**695,900**
Allowance for credit impairment*	**-**	**(33,200)**	**(29,300)**	**(62,500)**
Loans and advances at June 30,	**-**	**500,600**	**132,800**	**633,400**
Representing:				
Current	**-**	**248,500**	**51,800**	**300,300**
Non-current	**-**	**252,100**	**81,000**	**333,100**
Loans and advances at June 30,	**-**	**500,600**	**132,800**	**633,400**
2022				
Within one year	436,900	554,600	117,000	1,108,500
After one year and before two years	402,600	123,700	40,900	567,200
After two years and before five years	673,100	44,300	38,200	755,600
After five years	61,900	-	4,600	66,500
Loans and advances before allowance for impairment	1,574,500	722,600	200,700	2,497,800
Allowance for credit impairment*	(26,400)	(258,400)	(8,700)	(293,500)
Loans and advances at June 30,	1,548,100	464,200	192,000	2,204,300
Representing:				
Current	414,100	295,900	42,800	752,800
Non-current	1,134,000	168,300	149,200	1,451,500
Loans and advances at June 30,	1,548,100	464,200	192,000	2,204,300

* Allowance for credit impairment stated in brackets represents loss allowance.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(c) **Loans and advances may be analysed as follows:**

	Finance leases	Hire purchase and consumer finance agreement	Other loans and advances	Total
2023	Rs'000	Rs'000	Rs'000	Rs'000
Remaining term to maturity				
Not later than one year	**-**	**105,400**	**19,400**	**124,800**
After one year and before two years	**-**	**171,500**	**52,700**	**224,200**
After two years and before five years	**-**	**256,900**	**90,000**	**346,900**
Loans and advances at June 30,	**-**	**533,800**	**162,100**	**695,900**
2022				
Not later than one year	436,900	554,600	117,000	1,108,500
After one year and before two years	402,600	123,700	40,900	567,200
After two years and before five years	673,100	44,300	38,200	755,600
After five years	61,900	-	4,600	66,500
Loans and advances at June 30,	1,574,500	722,600	200,700	2,497,800

(d) **Allowance for credit impairment**

2023	Finance leases	Hire purchase and consumer finance agreement	Other loans and advances	Total
Portfolio provision	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**(26,400)**	**(258,400)**	**(8,700)**	**(293,500)**
Allowance for credit impairment for the year*	**-**	**-**	**(24,100)**	**(24,100)**
Reversal of allowance for credit impairment	**20,800**	**54,100**	**-**	**74,900**
Assets written off	**-**	**171,100**	**3,500**	**174,600**
On deconsolidation of subsidiaries	**5,600**	**-**	**-**	**5,600**
At June 30,	**-**	**(33,200)**	**(29,300)**	**(62,500)**
2022				
At July 1,	(4,200)	(289,400)	(10,700)	(304,300)
Allowance for credit impairment for the year*	(22,200)	-	-	(22,200)
Reversal of allowance for credit impairment	-	31,000	2,000	33,000
At June 30,	(26,400)	(258,400)	(8,700)	(293,500)

* Allowance for credit impairment stated in brackets represents loss allowance.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(e) At reporting date, the analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to lease receivables, hire purchase receivables and loans receivable from customers is as follows:

	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Gross carrying amount on loans and advances				
At July 1, 2021	1,998,800	155,800	422,300	2,576,900
New assets originated or purchased	1,054,100	-	-	1,054,100
Assets derecognised or repaid (excluding write offs)	(837,200)	(181,000)	(115,000)	(1,133,200)
Transfers to Stage 1	128,600	(106,300)	(22,300)	-
Transfers to Stage 2	(269,400)	281,500	(12,100)	-
Transfers to Stage 3	(141,100)	(21,400)	162,500	-
At June 30, 2022	1,933,800	128,600	435,400	2,497,800
New assets originated or purchased	**1,394,600**	**-**	**-**	**1,394,600**
Assets derecognised or repaid (excluding write offs)	**(883,100)**	**(45,100)**	**(84,000)**	**(1,012,200)**
Assets written off	**-**	**-**	**(255,200)**	**(255,200)**
Transfers to Stage 1	**90,600**	**(68,900)**	**(21,700)**	**-**
Transfers to Stage 2	**(103,300)**	**117,600**	**(14,300)**	**-**
Transfers to Stage 3	**(28,900)**	**(33,600)**	**62,500**	**-**
On deconsolidation of subsidiaries	**(1,806,800)**	**(76,600)**	**(45,700)**	**(1,929,100)**
At June 30, 2023	**596,900**	**22,000**	**77,000**	**695,900**
Expected credit loss				
At July 1, 2021	40,000	14,800	249,600	304,400
New assets originated or purchased	24,800	-	-	24,800
Assets derecognised or repaid (excluding write offs)	(33,100)	(9,600)	(20,000)	(62,700)
Transfer to Stage 1	300	(300)	-	-
Transfer to Stage 2	(7,800)	8,100	(300)	-
Transfer to Stage 3	(23,000)	(2,700)	25,700	-
Changes in ECL during the year	25,200	(1,600)	3,400	27,000
At June 30, 2022	26,400	8,700	258,400	293,500
New assets originated or purchased	**9,800**	**-**	**-**	**9,800**
Assets derecognised or repaid (excluding write offs)	**(3,500)**	**(800)**	**(40,900)**	**(45,200)**
Assets written off	**-**	**-**	**(174,600)**	**(174,600)**
Transfer to Stage 1	**13,700**	**(5,700)**	**(8,000)**	**-**
Transfer to Stage 2	**(2,200)**	**5,900**	**(3,700)**	**-**
Transfer to Stage 3	**(1,200)**	**(4,500)**	**5,700**	**-**
Changes to models and inputs used for ECL calculations	**(27,600)**	**800**	**11,400**	**(15,400)**
On deconsolidation of subsidiaries	**(1,900)**	**(200)**	**(3,500)**	**(5,600)**
At June 30, 2023	**13,500**	**4,200**	**44,800**	**62,500**
Net carrying amount at June 30, 2022	1,907,400	119,900	177,000	2,204,300
Net carrying amount at June 30, 2023	**583,400**	**17,800**	**32,200**	**633,400**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(f) **Amount arising from ECL**

ECL at June 30, 2023	Stage 1	Stage 2	Stage 3	Total
Loans and advances towards hire purchase and consumer finance agreement				
Expected loss rate (%)	**1.5%**	**16.2%**	**66.0%**	**6.2%**
Gross carrying amount (Rs.m)	**485.0**	**13.6**	**35.6**	**534.2**
Expected allowance for impairment (Rs.m)	**7.5**	**2.2**	**23.5**	**33.2**
Other loans and advances				
Expected loss rate (%)	**5.4%**	**23.8%**	**51.4%**	**18.1%**
Gross carrying amount (Rs.m)	**111.9**	**8.4**	**41.4**	**161.7**
Expected allowance for impairment (Rs.m)	**6.0**	**2.0**	**21.3**	**29.3**

ECL at June 30, 2022	Stage 1	Stage 2	Stage 3	Total
Loans and advances towards hire purchase and consumer finance agreement				
Expected loss rate (%)	5.5%	23.5%	62.7%	34.8%
Gross carrying amount (Rs.m)	408.6	25.2	297.7	731.5
Expected allowance for impairment (Rs.m)	21.1	5.0	228.4	254.5
Loans and advances towards finance leases				
Expected loss rate (%)	0.0%	0.7%	8.9%	0.4%
Gross carrying amount (Rs.m)	1,432.8	90.1	50.7	1,573.6
Expected allowance for impairment (Rs.m)	0.7	0.6	4.5	5.8
Other loans and advances				
Expected loss rate (%)	5.0%	23.3%	51.0%	17.2%
Gross carrying amount (Rs.m)	92.4	13.3	87.0	192.7
Expected allowance for impairment (Rs.m)	4.6	3.1	25.5	33.2

A +/- 5% variation in average loss rate as at June 30, 2023 would result in +/- Rs.14.7 million effect on post tax profit (2022: +/- Rs.14.7 million). The analysis assumes that all other variables, remain constant.

(g) **Critical accounting estimates**

Significant accounting judgements and estimates

The measurement of expected credit loss allowance for Loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviours (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed below. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

• Determining criteria for significant increase in credit risk;

• Choosing appropriate models and assumptions for measurement of ECL;

• Establishing multiple economic scenarios by using different cases for the value of index;

• An important consideration in the impairment model in IFRS 9 is the use of forward-looking information in the models; and

• Determining the assumed lifetime of products.

The ECL models set up by the group are driven by internal and external data and this required significant judgements and estimates in relation to the determination of forward-looking information defining elements of a significant increase in credit risk and staging of financial instruments.

The consequent impact on the group is uncertain, thereby increasing the degree of judgement required to be exercised in calculating ECL:

• Models used to calculate ECL are inherently complex and judgement is applied in determining the appropriateness of the ECL model;

• A number of inputs, assumptions are made by the group concerning the values of inputs to the models and how the inputs correlate with one another; including the incorporation of the current macro-economic scenario through the forward-looking information; and

• Evidence of significant increase in credit risk and hence the relevant staging and credit worthiness of the group's clients.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

14. LOANS AND ADVANCES (CONT'D)

(g) **Critical accounting estimates (cont'd)**

Incorporation of forward-looking information

The group incorporates forward-looking information into the measurement of ECL. The cyclical component of Mauritius GDP growth (derived through the smoothing technique, the Hodrick-Prescott filter) is used to proxy the credit cycle index. This credit cycle index is linked to the group's ECL calculations through the well-known Vasicek Single Factor Model. By using forecasts of Mauritius GDP Growth, a forecasted credit cycle index can be derived and used to adjust default rates used in ECL calculations such that these rates reflect the impact of forward-looking information into the measurement of ECL.

The group formulates three economic scenarios:

(i) a baseline case with 80% weightage, (ii) an upside case with 10% weightage and (iii) a downside case with 10% weightage. The baseline scenario are figures obtained directly from the IMF WEO Database forecasts and or Mauritius Budget Estimates. Standard deviation shocks are applied to the baseline forecasts to allow for a plausible range of forecasts for the macroeconomic variable. A normal distribution is assumed and the 5th percentile case and 95th percentile case are assumed as downside and upside case scenario respectively. The group then calculates a scenario probability weighted PD which is applied to the ECL model.

Collateral held

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of the loans and advances. However, the collateral provides additional security and may take in the form of the items acquired by the borrower and other liens and guarantees. The fair value of the collateral are assessed at periodical intervals to ensure that its portfolio is sufficiently collaterised.

Significant increase in credit risk

As a backstop, the group considers that a significant increase in credit risk occurs no later than when an asset is more than 34 days due. The 30 days presumed backstop has been rebutted to align with the 5 days of grace days that are given to their clients to settle their accounts. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured at 12-month ECL.

The group monitors the effectiveness of the criteria used to identify significant increase in credit risk by regular reviews of its portfolio.

Determining the classification of finance lease as loans and advances

In determining the classification of finance leases as loans and advances, the group has considered that control of the asset has been transferred outright to the customer upon entering the lease agreement.

Credit quality analysis

The group has witnessed a major decrease in its ECL for the current year. The average loss rate for June 30, 2023 is 8.3% (2022: 8.7%). The gross amount of each category of loans and advances represent the maximum exposure for credit risk as shown in note 14(b). The leasing segment has a vehicle- based collateral with a portfolio balance -weighted loan to value (LTV) of 155% (2022: 167%). This indicates that the portfolio is significantly over collaterized which in general result in no loss allowance even if the loans are in default.

15. INVENTORIES

(a) **Accounting policy**

Inventories and work in progress are valued at the lower of cost or net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs to completion and applicable variable selling expenses.

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the group develops and intends to sell before, or on completion of development.

Cost incurred in bringing each property to its present location and condition includes:

• Freehold and leasehold rights for land;

• Amounts paid to contractors for development; and

• Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory property recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

15. INVENTORIES (CONT'D)

(b) THE GROUP

	2023	2022
	Rs'000	Rs'000
Raw materials, consumables and spare parts	581,783	498,502
Stock of land (includes amount transferred from investment properties (note 6))	1,979,731	1,490,376
Work in progress	52,357	76,613
Finished goods	1,222,123	1,257,846
Goods in transit	469,494	207,236
	4,305,488	3,530,573

(c) The cost of inventories recognised as expense and included in cost of sales amounted to Rs.4,582m (2022: Rs.3,528m).

(d) There were no write off during the year.

(e) Bank borrowings are secured by floating charges on part of the inventories of the group.

16. CONSUMABLE BIOLOGICAL ASSETS

(a) **Accounting policy**

Consumable biological assets comprising the standing cane valuation, deer, palm trees and others are measured at fair value less costs to sell, which is the present value of the expected net cash flows discounted at the relevant market determined pre-tax rate (palm trees: 9.82% (2022: 6.25%), nursery: 20.82% - 28.82% (2022: 17.28% - 25.28%) and standing canes 12.14% (2022: 8.77%).

(b) THE GROUP

	Potatoes	Standing cane	Palm trees	Nursery	Deer farming	Cattle	Total
(i) 2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	9,225	261,173	21,249	35,492	33,865	1,621	362,625
Fair value movement	-	53,588	(710)	2,380	13,735	(947)	68,046
Movement in cost of sales	(942)	-	-	-	-	-	(942)
At June 30,	8,283	314,761	20,539	37,872	47,600	674	429,729
(ii) 2022							
At July 1,	8,673	258,692	26,088	33,804	39,765	3,641	370,663
Fair value movement	-	2,481	(4,839)	1,688	(5,900)	(2,020)	(8,590)
Movement in cost of sales	552	-	-	-	-	-	552
At June 30,	9,225	261,173	21,249	35,492	33,865	1,621	362,625

Consumable biological assets are stated at their fair value and relate to the value of standing canes, deer farming, nursery plants and palm trees. Any increase/(decrease) in fair value movements of consumable biological assets is accounted in the statements of profit or loss.

The fair value measurements have been categorised as level 3 fair value based on the inputs to the valuation techniques used.

At June 30, 2023, standing canes comprised of approximately 3,723 hectares of sugar cane under plantation (2022: 4,343 hectares). During the year, the group harvested approximately 177,911 tonnes of cane (2022: 250,298 tonnes of cane).

There were no transfers from IAS 41 to IAS 2 during the year.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

16. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

(c) **Valuation techniques and significant unobservable inputs**

	Activities	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing cane	Cultivation and harvesting of sugarcane and sale to Mauritius Sugar Syndicate ("MSS")	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by sugarcane plantation.	Estimated future price of Sugar per tonne- Rs.25,554 - Rs.33,000 (2022:Rs.22,366 - Rs.25,300) Extraction rate per tonne 9.30% - 10.30% (2022: 9.30% - 10.25%) Discount rate 12.14% (2022: 6%- 8.77%)	The estimated fair value would increase/(decrease) if: - Expected price of sugar per tonne were higher/(lower) - Extraction rate per tonne were higher/(lower) - Discount rate were lower/(higher)
Palms	Cultivation and sale of palms	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by Palm over the next 5 years.	Estimated average price of palms- Rs.275 - Rs.371 per palm tree (2022: Rs.261 - Rs.371) Discount rate 9.82% (2022: 6.51%)	The estimated fair value would increase/(decrease) if: - Expected average price of palm tree were higher/(lower).
Plants	Cultivation and sale of plants	Net Realisable Value	Future selling price of different type of plants. Discount rate 20.82% - 28.82% (2022: 17.28% - 25.28%)	The estimated fair value would increase/(decrease) if: - Expected selling price of different types of plants were higher/(lower).
Grass	Cultivation and sale of grass	Net Realisable Value	Estimated future contribution of grass- Rs.57 (2022: Rs.57)	The estimated fair value would increase/(decrease) if: - Expected selling price were higher/(lower) - Costs were lower/(higher).
Deer	Rearing of deers for sale of meat and hunting activities	Net Realisable Value	Average weight of deer- 35 kg and 40 kg for local breed (2022: 45 kg and 35 kg for local breed) Average price of deer per kg- Rs.235 (2022: Rs.180)	The estimated fair value would increase/(decrease) if: - Average weight per deer were higher/(lower) - Average price higher/(lower).

(d) **Critical accounting estimates**

Consumable biological assets

The fair value of consumable biological assets has been arrived at by discounting the present value of the expected net cash flows at the relevant market determined pre-tax rate. For standing canes, the expected cash flows have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on yearly budgets.

For other consumable biological assets, the expected cash flows have been computed on the basis of expected sale prices and the expected cost of maintenance.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

17. TRADE AND OTHER RECEIVABLES

(a) **Accounting policy**

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less credit expected loss allowance.

The group is applying the simplified to measure ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The trade receivables have been divided into uninsured and insured. For insured receivables, the group considers insurance proceeds as an integral part of the impairment assessment of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balances where the group has no collateral.

The expected loss rates are based on the group's historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the gross domestic product ("GDP") as the key macroeconomic factors in the countries where the group operates.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive. Trade and other receivables generally have a short duration and do not carry a contractual interest rate. Therefore, they are measured on initial recognition at the transaction price. Accordingly, the effective interest rate for receivables is zero and discounting of expected cash shortfalls to reflect the time value of money is not required when measuring ECL.

In case of the customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate. Hence, such customers are removed from the ageing analysis and ECL is calculated separately as per external credit ratings.

The group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the group's benchmark creditworthiness may transact with the group upon lodging of a bank guarantee as a security document or on a strictly prepaid (cleared funds) only basis.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**2,550,183**	2,632,701	**4,541**	4,089
Less provision for impairment*	**(322,148)**	(338,348)	**(178)**	(190)
Carrying value of trade receivables	**2,228,035**	2,294,353	**4,363**	3,899

* Amount for provision for impairment stated in brackets above represents a loss allowance.

The carrying amount of the trade receivables is considered as a reasonable approximation of fair value given the short-term nature of the receivables.

(i) *Impairment of trade receivables*

The group uses the simplified approach to calculate for its ECL. Management has segregated the receivables book between a performing book (PB) and non-performing book (NPB) and have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. An LGD (loss given default) proxy of 22% - 62% (2022: 22% - 62%) was used for counterparties which is representative of the corporate client's exposure.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

For other subsidiaries, the trade and other receivables have been divided into insured and uninsured. For insured receivables, the subsidiaries have exercised the policy choice of considering insurance cover as an integral part of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balance where the subsidiaries have no collaterals.

The expected loss rates are based on the subsidiaries' historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the subsidiaries will not be able to collect all amounts due according to the original terms of the receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customer to settle the receivables. These subsidiaries have identified the gross domestic product (GDP) as the key macroeconomic factors in the sectors in which they operate.

In case of customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate. Hence, such customers are removed from the ageing and ECL is calculated separately as per external credit ratings.

The loss allowance as at June 30, 2023 and 2022 was determined as follows for trade receivables:

THE GROUP	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
At June 30, 2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Simplified approach					
Expected loss rate	**5%**	**5%**	**7%**	**32%**	
Gross carrying amount - trade receivables	**1,417,969**	**303,679**	**142,088**	**686,447**	**2,550,183**
Specific ECL allowance	**(9,100)**	**(200)**	**-**	**(59,900)**	**(69,200)**
General ECL allowance	**(63,702)**	**(16,126)**	**(10,454)**	**(162,666)**	**(252,948)**
Loss allowance	**(72,802)**	**(16,326)**	**(10,454)**	**(222,566)**	**(322,148)**
At June 30, 2022					
Simplified approach					
Expected loss rate	3%	4%	8%	53%	
Gross carrying amount - trade receivables	1,648,738	325,859	164,774	493,330	2,632,701
Specific ECL allowance	(3,300)	(1,200)	(1,300)	(68,500)	(74,300)
General ECL allowance	(47,527)	(12,905)	(11,280)	(192,336)	(264,048)
Loss allowance	(50,827)	(14,105)	(12,580)	(260,836)	(338,348)

THE COMPANY

At June 30, 2023	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Simplified approach	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	**2%**	**14%**	**0%**	**4%**	
Gross carrying amount - trade receivables	**402**	**44**	**234**	**3,861**	**4,541**
General ECL allowance	**(10)**	**(6)**	**(1)**	**(161)**	**(178)**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The loss allowance as at June 30, 2023 and 2022 was determined as follows for trade receivables: (cont'd)

THE COMPANY

At June 30, 2022	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Simplified approach	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	0%	0%	6%	
Gross carrying amount - trade receivables	780	24	5	3,280	4,089
General ECL allowance	-	-	-	(190)	(190)

Trade receivables past due more than 90 days were credit impaired.

The closing loss allowances for trade receivables as at June 30, 2023 and 2022 reconcile to the opening loss allowances as follows:

	THE GROUP		
2023	Specific provision	General provision	Total provision
	Rs'000	Rs'000	Rs'000
At July 1, 2022	**74,300**	**264,048**	**338,348**
Loss allowance recognised in profit or loss during the year	**10,100**	**8,745**	**18,845**
Write off against loss allowance	**(15,400)**	**(20,634)**	**(36,034)**
Unused amount reversed	**-**	**(5,211)**	**(5,211)**
Acquisition of subsidiaries	**-**	**11,000**	**11,000**
On deconsolidation of subsidiaries	**(1,900)**	**(5,000)**	**(6,900)**
Translation difference	**2,100**	**-**	**2,100**
At June 30, 2023	**69,200**	**252,948**	**322,148**
2022			
At July 1, 2021	87,400	411,191	498,591
Loss allowance recognised in profit or loss during the year	23,000	(3,143)	19,857
Receivables written off during the year as uncollectible	(32,300)	1,588	(30,712)
Write off against provision	(3,800)	(106,000)	(109,800)
Unused amount reversed	-	(1,586)	(1,586)
Bad debts recovered	-	(40)	(40)
Acquisition of subsidiaries	-	15,300	15,300
On deconsolidation of subsidiaries	-	(49,562)	(49,562)
Translation difference	-	(3,700)	(3,700)
At June 30, 2022	74,300	264,048	338,348

	THE COMPANY	
	2023	2022
General provision	**Rs'000**	Rs'000
At July 1,	**190**	142
Loss allowance recognised in profit or loss during the year	**-**	48
Unused amount reversed	**(12)**	-
At June 30,	**178**	190

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YEAR ENDED JUNE 30, 2023

17. TRADE AND OTHER RECEIVABLES (CONT'D)

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

(d) **Critical accounting estimates**

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

18. ASSETS RELATED TO CONTRACTS WITH CUSTOMERS

(a) **Accounting policy**

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the services. Upon completion of the services and acceptance by the customers, the amount recognised as contract assets is reclassified to trade receivables. A contract asset is subject to impairment assessment and its loss allowance is measured at an amount equal to lifetime Expected Credit Losses (ECL).

The group is applying the simplified approach to measure Expected Credit Losses (ECL) which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets have been divided into uninsured and insured. For insured receivables, the group considers insurance proceeds as an integral part of the impairment assessment of the receivables. The expected cash flows from the insurance cover are included when measuring ECL of the receivables to the extent that the expected losses are covered by the insurance cover. The uninsured receivables are the balances where the group has no collateral.

The group considers its contract assets to be in default when contractual payments are past due the approved credit period depending on the business environment in which it operates. The group also considers a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

The expected loss rates are based on the group's historical credit losses based on the pattern of movement of receivables over a period of three years before the reporting date. An additional loss allowance for receivables is recognised when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the gross domestic product (GDP) as the key macroeconomic factors in the countries where the group operates.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive. Contract assets generally have a short duration and do not carry a contractual interest rate. Therefore, they are measured on initial recognition at the transaction price. Accordingly, the effective interest rate for receivables is zero and discounting of expected cash shortfalls to reflect the time value of money is not required when measuring expected credit losses.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

18. ASSETS RELATED TO CONTRACTS WITH CUSTOMERS (CONT'D)

(a) **Accounting policy (cont'd)**

Contract assets (cont'd)

In case of the customers having credit ratings with external agencies, the default rate issued by such agencies is used as the ECL rate. Hence, such customers are removed from the ageing analysis and ECL is calculated separately as per external credit ratings.

The group has an established credit policy under which new customers are analysed individually for credit worthiness for each business activity before the group's standard payment, delivery terms and conditions are offered. Customers that fail to meet the group's benchmark creditworthiness may transact with the group upon lodging of a bank guarantee as a security document or on a strictly prepaid (cleared funds) only basis.

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

When assessing whether a receivable is in default include, the group considers the following factors:

- the balance remaining due for more than 360 days;

- the debtor is unlikely to pay its obligation in full without recourse to actions such as disposing its assets; and

- the financial position indicating that debtors is in financial difficulty.

The contract assets primarily relate to the group`s rights to consideration for work completed but not yet billed at the reporting date on construction contracts.

(b) THE GROUP

	2023	2022
	Rs'000	Rs'000
At July 1,	124,119	159,432
Amounts included in contract assets that was recognised as revenue during the year	(48,025)	(39,503)
Excess of revenue recognised over amounts invoiced	165,525	164,590
Loss allowance	(2,800)	(6,600)
Transfer to trade receivables	(103,900)	(157,700)
On deconsolidation of subsidiaries	-	(2,000)
Translation difference	2,800	5,900
At June 30,	137,719	124,119

At June 30, 2023 and 2022, the carrying value of contract assets have been analysed as follows:

THE GROUP

At June 30, 2023	Not past due	Current	More than 30 days* past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	1.3%	0.5%	1.1%	2.4%	19.1%	
Gross carrying amount - contract assets	93,500	18,420	18,151	4,151	6,297	140,519
Specific ECL allowance	(1,200)	-	(100)	-	(1,100)	(2,400)
General ECL allowance	-	(100)	(100)	(100)	(100)	(400)
Loss allowance	(1,200)	(100)	(200)	(100)	(1,200)	(2,800)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

18. ASSETS RELATED TO CONTRACTS WITH CUSTOMERS (CONT'D)

(b) At June 30, 2023 and 2022, the carrying value of contract assets have been analysed as follows: (cont'd)

THE GROUP

	Not past due	Current	More than 30 days* past due	More than 60 days past due	More than 90 days past due	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2022						
Expected loss rate	3.6%	0.5%	17.9%	0.0%	16.1%	
Gross carrying amount - contract assets	90,500	19,607	5,020	1,325	14,267	130,719
Specific ECL allowance	-	-	-	-	(1,500)	(1,500)
General ECL allowance	(3,300)	(100)	(900)	-	(800)	(5,100)
Loss allowance	(3,300)	(100)	(900)	-	(2,300)	(6,600)

*At June 30, 2023, a specific provision of Rs.2.2m has been included in expected credit loss allowance (2022: Rs.1.5m).

Contract assets past due more than 360 days were credit impaired. Given the nature of the group's contract assets, the ageing of a balance beyond 90 days does not necessarily indicate a credit default of the counterparty. Based on the group's experience, these balances are not considered impaired until they exceed 360 days. Accordingly, the group has rebutted the presumption that a balance is impaired if it is past due by more than 90 days.

Loss allowances for contract assets are:

	THE GROUP 2023	2022
	Rs'000	Rs'000
At July 1,	6,600	23,100
Increase in loss allowances recognised in profit or loss during the year	2,800	500
Reversal of provision for bad debts no longer required	(6,800)	(18,100)
Translation difference	200	1,100
At June 30,	2,800	6,600

(c) **Critical accounting estimates**

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

19. AMOUNTS RECEIVABLE FROM GROUP COMPANIES

(a) **Accounting policy**

Amounts receivable from group companies include trade receivables, loans and advances and other receivables which are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

Impairment provisions for such trade receivables, loans and advances and other receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECL. The company recognises an allowance for expected credit losses (''ECLs'') on loans classified as financial assets at amortised cost under the general approach. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

19. AMOUNTS RECEIVABLE FROM GROUP COMPANIES (CONT'D)

Accounting policy (cont'd)

To measure ECL, such trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. For such trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that such trade and other receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(b) THE COMPANY

	2023	2022
	Rs'000	Rs'000
Trade receivables	85,979	60,045
Less provision for impairment	(4,192)	(3,770)
Trade receivables- net	81,787	56,275
Other receivables (c)	242,016	217,694
Less provision for impairment	(10,033)	(9,720)
Other receivables- net	231,983	207,974
	313,770	264,249

(c) Other receivables comprise mainly of loans, advances, interest and dividend receivable from group companies.

THE COMPANY	Other receivables		
	Loans	Others	Total
2023	Rs'000	Rs'000	Rs'000
Subsidiary companies	47,000	184,983	231,983
2022			
Subsidiary companies	6,000	201,974	207,974

(d) *Impairment of amount receivable from group companies*

The company recognises an allowance for expected credit losses (''ECLs'') on loans classified as financial assets at amortised cost under the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash received from the operations of the borrowers.

For other receivables, the company uses the simplified approach to calculate for its ECL. Management has segregated the receivables book between a performing book (PB) and non-performing book (NPB) and have used inferred proxies for the probability of default (PD) based on relevant jurisdictional sovereign Moody's ratings. An LGD (loss given default) proxy of 22% - 62% (2022: 22% - 62%) was used for counterparties which is representative of the corporate client's exposure.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
At June 30, 2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected loss rate	0%	2%	1%	11%	
Gross carrying amount	179,999	13,001	10,972	124,023	327,995
Loss allowance	(478)	(253)	(59)	(13,435)	(14,225)
At June 30, 2022					
Expected loss rate	0%	0%	0%	14%	
Gross carrying amount	158,539	10,611	11,785	96,804	277,739
Loss allowance	-	-	-	(13,490)	(13,490)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

19. AMOUNTS RECEIVABLE FROM GROUP COMPANIES (CONT'D)

(d) *Impairment of amount receivable from group companies (cont'd)*

The closing loss allowances as at June 30, 2023 and 2022 reconcile to the opening loss allowances as follows:

THE COMPANY	2023	2022
	Rs'000	Rs'000
At July 1,	(13,490)	(13,160)
Loss allowance reversed in profit or loss during the year	(735)	(330)
At June 30,	(14,225)	(13,490)

At June 30, 2023, amounts receivable from group companies were impaired by Rs.14,225,000 (2022: Rs.13,490,000). The carrying amount of receivables from group companies approximate their fair value.

(e) Amounts receivable from group companies are denominated in Mauritian rupees.

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

(g) **Critical accounting estimates**

The loss allowances for financial assets are based on assumptions about risks of default and expected loss rates. The group uses judgement in making these assumptions and selecting inputs to impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(a) **Accounting policy**

Non-current assets classified as held for sale relate to land earmarked for future sale, development projects and investment earmarked for sale during the coming year. They are measured at the lower of carrying amount and fair value less costs to sell if the carrying amount is recovered principally through sales. This condition is regarded as met only when the sales are highly probable and the asset is available for immediate sale in their present condition.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

(b) **Non-current assets classified as held for sale**

	THE GROUP	
	2023	2022
Disclosed as follows:	Rs'000	Rs'000
Land classified as held for sale (note (i))	154,730	-

(i) **Assets classified as held for sale**

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	-	19,100
Disposals	-	(19,100)
Transfer from property, plant and equipment (note 5(b)(i))*	154,730	-
At June 30,	154,730	-

* These assets have been classified as non-current assets held for sale as the intention is to dispose of them within one year. These have been fair valued at June 30, 2023 by independent valuer.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

21. STATED CAPITAL

(a) **Accounting policy**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new share are shown in equity as deduction, net of tax, from proceeds. Where the company purchases its equity stated capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received, is included in equity attributable to the company's equity holders.

(b) THE GROUP AND THE COMPANY

	2023		2022	
	Number of shares	Rs'000	Number of shares	Rs'000
At July 1, & June 30,	**1,074,996,326**	**3,607,987**	1,074,996,326	3,607,987

The stated capital as at the reporting date is made up as follows:

	2023		2022	
	Number of shares	Rs'000	Number of shares	Rs'000
Ordinary A shares	**374,996,326**	**3,607,987**	374,996,326	3,607,987
Restricted redeemable shares	**700,000,000**	**0.10**	700,000,000	0.10
	1,074,996,326	**3,607,987**	1,074,996,326	3,607,987

The above shares have no par value.

(c) *Ordinary A shares*

An ordinary A share confers on the holder the following rights:

-the right to vote at meetings of shareholders;

-subject to the rights of any other class of shares, the right to an equal share in dividend and other distributions made by the company; and

-subject to the rights of any other class of shares, the right to an equal share in the distribution of the surplus assets of the company on its liquidation.

(d) *Restricted redeemable shares (RRS)*

A restricted redeemable share has no economic rights but confers on the holder the following rights:

-the right to vote at meetings of shareholders;

-subject to the rights of any other class of shares, no right to dividend and other distributions made by the company;

-no right to be transferred except with the consent of the holders of at least 75% of the shares of that class; and

-the right to participate in a bonus issue of any class of shares having voting rights so that on an issue of bonus shares such number of RRS be allotted to the holder of RRS in order that the proportion of RRS compared to shares having voting rights are maintained and not varied.

There is no contractual obligation to deliver cash or any financial obligation to the holder as these are redeemable at the option of the company.

(e) **TREASURY SHARES**

THE GROUP AND THE COMPANY

	2023		2022	
	Number of shares	Rs'000	Number of shares	Rs'000
At July 1, and June 30,	**7,560,362**	**250,000**	7,560,362	250,000

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

21. STATED CAPITAL (CONT'D)

(e) **TREASURY SHARES (CONT'D)**

The reserves of the company's treasury shares comprise the cost of the company's shares held by the group. At June 30, 2023, the group held 7,560,362 of the company's shares (2022: 7,560,362).

(f) **Critical accounting estimates**

Restricted redeemable shares (RRS)

Taking into account the rights attached to RRS in note (d) above , it is appropriate that RRS is classified as equity.

22. BORROWINGS

(a) **Accounting policy**

Borrowings are recognised initially at fair value being their issue proceeds net of direct issue costs. Borrowings are subsequently measured at amortised cost using the effective interest rate which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption as well as any interest or coupon payable while the liability is outstanding.

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

The group presents lease liabilities related to right of use assets in 'borrowings' in the Statements of Financial Position.

Lease liabilities related to right of use assets are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group has lease contracts for various items of land, building, plant and equipment and motor vehicles used in its operations. Leases of land generally have lease terms between 1.4 to 66 years, buildings have lease terms between 1.9 to 19 years, while plant, equipment and motor vehicles have lease terms between 1.4 to 10 years. The group's obligations under its leases are secured by the lessor's title to leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

Lease payments included in the measurement of the lease liability comprise the following:

• fixed payments, including in-substance fixed payments;

• variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable under a residual value guarantee; and

• the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group are reasonably certain not to terminate early.

Lease liabilities related to right of use assets are subsequently measured at amortised cost using the effective interest method. Lease liabilities are subject to remeasurement if there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. Upon remeasurement, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognises right of use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The group recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(a) **Accounting policy (cont'd)**

Leases - Estimating the incremental borrowing rate

The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Rent concessions

The group applies the practical expedient allowing it not to assess whether eligible rent concessions are lease modifications. The group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the group assesses whether there is a lease modification.

When a lessor permits a lessee to defer a lease payment, we believe the lessee may account for the concession by continuing to account for the lease liability and right-of-use asset using the rights and obligations of the existing lease and recognising a separate lease payable (that generally does not accrue interest) in the period that the allocated lease cash payment is due. In this case, the lessee would reduce the lease payable when it makes the lease payment at the revised payment date.

This approach of recording a lease payable for the future payment would allow the lease liability to be accreted using the original incremental borrowing rate and would result in a lease liability balance of zero at the end of the lease term (i.e., the lessee would not need to revisit the accretion of its lease liability based on the revised timing of payments). In many cases, this will allow a lessee to use its existing systems to account for the lease liability using the existing payment schedule and discount rate.

Debentures

Debentures are recognised initially at fair value being the issue proceeds net of transaction costs incurred. Debentures are subsequently stated at amortised cost. Debentures are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Liabilities at fair value through profit or loss

Financial liabilities in this category are those that are not held for trading and have been designated at fair value through profit or loss as they contain an embedded derivative. These are recorded in the statement of financial position at fair value.

Changes in fair value are recorded in profit and loss. Interest incurred on financial liabilities designated at FVPL is accrued in interest expense.

During the financial year 2022, a subsidiary of the group issued redeemable bonds at a nominal value of Rs.325m, to which the bondholders are entitled to fixed interest and variable performance return. The bonds are redeemable at maturity in 2030 and convertible into a variable number of shares of a subsidiary of the group. The bond also includes certain call options by the issuer and put options by the subscriber for early redemption/ conversion of the bonds as from 2027. The terms of the conversion options are such that they meet the definition of an embedded derivative. As such, the group has classified the instrument as a financial liability at fair value through profit or loss.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(a) **Accounting policy (cont'd)**

Valuation process

The group determines the policies and procedures for the fair valuation of the redeemable convertible bond. The process involves the selection of appropriate methodology, gathering of market knowledge, development of assumptions and specific information. The fair value of the instrument has been broken down into four components, bonds, performance return, call option and put option.

The fair value of the Bond and Performance Return was determined using the discounted cash flow approach. The projected cashflows from the Bond and the Performance Return was discounted using the Mauritian Rupees Risk Free Curve which was interpolated using the Nelson Svensson Siegel (NSS) Model. A credit spread was then assigned to the underlying and added to the risk free rates or discounting purposes.

The fair value of the call and put option is dependent on the value of the share price of the underlying. In calculating the value of the options at respective time intervals, parameters such as the probability of the share price of the underlying going up or down and risk free rate/credit risk adjusted risk free rate have been estimated. The fair value of the asset or liability is calculated as the sum of the fair value of the bond, performance return, put option minus fair value of call option.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Non-current	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Secured fixed and variable rate notes (note (c))	**4,822,715**	4,819,530	**-**	-
Debentures (note (d))	**1,010,105**	912,805	**-**	-
Bond notes (note (e))	**3,784,526**	3,491,673	**3,784,526**	3,491,673
Bank loans (note (g))	**10,842,216**	8,887,575	**2,509,456**	2,777,767
Lease liabilities (notes (f) and (h))	**972,888**	918,621	**2,985**	9,122
Shareholders' loans	**-**	3,300	**-**	-
Loans from other companies	**-**	77,700	**-**	-
Redeemable notes (note (i))	**4,743,000**	4,741,000	**-**	-
Convertible bonds (note (j))	**257,200**	116,500	**-**	-
Liabilities at fair value through profit or loss (note (k))	**313,700**	325,000	**-**	-
	26,746,350	24,293,704	**6,296,967**	6,278,562
Current				
Bank overdrafts	**1,721,183**	1,218,252	**-**	-
Bank loans (note (g))	**1,451,225**	4,100,242	**267,584**	610,902
Secured fixed and variable rate notes (note (c))	**-**	1,000,000	**-**	-
Debentures (note (d))	**52,700**	42,100	**-**	-
Bond notes (note (e))	**1,478,051**	73,113	**1,478,051**	73,113
Lease liabilities (notes (f) and (h))	**239,023**	207,087	**6,136**	6,195
Shareholders' loans	**7,250**	3,300	**-**	-
Loans from other companies (note (l))	**80,200**	-	**-**	-
	5,029,632	6,644,094	**1,751,771**	690,210
Total borrowings	**31,775,982**	30,937,798	**8,048,738**	6,968,772

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Secured fixed and variable rate notes				
Secured by first rank fixed charges in respect of immovable property of a subsidiary	**1,344,115**	1,343,630	**-**	-
Secured by fixed charges by way of pledge of shares	**1,500,000**	2,000,000	**-**	-
Secured by floating charges on the assets of the group	**290,000**	290,000	**-**	-
Secured by fixed and floating charges on the assets of the group	**1,688,600**	2,185,900	**-**	-
	4,822,715	5,819,530	**-**	-
Debentures				
Secured by floating charges on the assets of the group	**115,900**	158,000	**-**	-
Unsecured	**946,905**	796,905	**-**	-
	1,062,805	954,905	**-**	-
Bond notes				
Secured by fixed charges on property	**3,798,817**	1,455,268	**3,798,817**	1,455,268
Secured by fixed charges by way of pledge of shares	**1,463,760**	2,109,518	**1,463,760**	2,109,518
	5,262,577	3,564,786	**5,262,577**	3,564,786
Bank and other loans				
Secured by fixed charges on property	**4,677,497**	4,340,783	**2,745,190**	3,353,326
Secured by fixed charges by way of pledge of shares	**638,685**	996,498	**-**	-
Secured by floating charges on the assets of the group	**6,907,753**	7,565,188	**31,802**	35,295
Unsecured	**69,506**	85,348	**48**	48
	12,293,441	12,987,817	**2,777,040**	3,388,669
Lease liabilities				
Secured by fixed charges on leased assets of the group	**343,860**	190,008	**911**	2,347
Secured by floating charges on the assets of the group	**22,200**	18,300	**-**	-
Unsecured	**845,851**	917,400	**8,210**	12,970
	1,211,911	1,125,708	**9,121**	15,317
Shareholders' loans				
Unsecured	**7,250**	6,600	**-**	-
	7,250	6,600	**-**	-
Loans from other companies				
Unsecured	**80,200**	77,700	**-**	-
	80,200	77,700	**-**	-
Redeemable notes				
Secured by floating charges on the assets of the group	**4,743,000**	4,741,000	**-**	-
	4,743,000	4,741,000	**-**	-

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Convertible bonds				
Secured by floating charges on the assets of the group	**257,200**	116,500	**-**	-
	257,200	116,500	**-**	-
Bank overdraft				
Secured by floating charges on the assets of the group	**1,620,783**	1,042,352	**-**	-
Unsecured	**100,400**	175,900	**-**	-
	1,721,183	1,218,252	**-**	-
Liabilities at fair value through profit or loss				
Unsecured	**313,700**	325,000	**-**	-
	313,700	325,000	**-**	-
Total borrowings	**31,775,982**	30,937,798	**8,048,738**	6,968,772

(c) **Secured fixed and variable rate notes**

On March 16, 2015, a subsidiary company issued 30,000 secured floating rate notes on a private placement as follows:

Note description	Maturity	Interest rate
Tranche A (10,000 notes at Rs.50,000 per note)	Already matured	Reference Bank of Mauritius repo rate + 1.35% p.a
Tranche B (10,000 notes at Rs.50,000 per note)	March 16, 2023	Reference Bank of Mauritius repo rate + 1.85% p.a
Tranche C (10,000 notes at Rs.50,000 per note)	March 16, 2025	Reference Bank of Mauritius repo rate + 2.35% p.a

These notes are secured by a floating charge over all the assets of the subsidiaries being financed.

On November 29, 2019, a subsidiary issued a mixture of 1.5m secured floating and fixed rate notes and on May 05, 2020, 0.5m secured floating rate notes on private placement as follows:

Note description	Maturity	Interest rate
Tranche 3 Years (0.50m notes at Rs.1,000 per note)	November 29, 2022	Reference Bank of Mauritius repo rate + 0.65% p.a
Tranche 5 Years (0.25m notes at Rs.1,000 per note)	November 29, 2024	Reference Bank of Mauritius repo rate + 0.95% p.a
Tranche 5 Years (0.25m notes at Rs.1,000 per note)	November 29, 2024	Fixed rate 4.90% p.a
Tranche 7 Years (0.25m notes at Rs.1,000 per note)	November 29, 2026	Reference Bank of Mauritius repo rate + 1.30% p.a
Tranche 7 Years (0.25m notes at Rs.1,000 per note)	November 29, 2026	Fixed rate 5.25% p.a
Tranche 10 Years (0.50m notes at Rs.1,000 per note)	November 05, 2030	Reference Bank of Mauritius repo rate + 1.70% p.a

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(c) **Secured fixed and variable rate notes (cont'd)**

These notes are secured by pledge of shares.

In 2021, a subsidiary company issued 1,500 bonds at a nominal price of Rs.1m per bond (2022: Rs.1.m) out of an approved bond programme of Rs.2.5bn.

Note description	Maturity	Interest rate
Tranche 7 Years (262 notes at Rs.1m per note)	December 29, 2027	Blended rate 3.70% p.a
Tranche 10 Years (538 notes at Rs.1m per note)	December 29, 2030	Blended rate 3.89% p.a
Tranche 15 Years (700 notes at Rs.1m per note)	December 29, 2035	Blended rate 4.31% p.a

These notes are secured by floating charges over assets of the group.

Another subsidiary company has issued secured floating rate notes which are repayable on January 12, 2027. The notes bear interest rates of Repo + 2-3% per annum.

The notes are secured by:

- A first rank fixed charge in respect of each immovable property of the subsidiary;
- An assignment of all rent and other receivables arising or that may arise under the lease agreements; and
- A shortfall undertaking by the group.

(d) **Debentures**

A subsidiary company has in issue 17,556,676 redeemable bonds at an issue price of Rs.12.00 each, totalling Rs.210.7m. Salient features of the debentures are as follows:

A coupon rate of 6.0% per annum in respect of each financial year over 10 consecutive years, will be paid to bondholders out of the profits of the entity. This will be paid in priority to dividends payable to Class A ordinary shareholders and preference shareholders. Coupon payment shall be paid in June of each financial year.

Debenture holders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the entity.

Debentures shall be redeemed automatically on the 30th June of every financial year over 5 consecutive years starting June 30, 2021, without paying any additional fee.

Another subsidiary of the group issued new debentures amounting to Rs.150m during the year. These debentures will mature on September 30, 2026 and bear interest at 6% per annum.

The outstanding balance of debentures payable at June 30, 2023 amounted to Rs.1,063m (2022: Rs.954.9m).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(e) **Bond notes**

The company has issued Rs.3.5bn of fixed and floating interest rates and tenors as follows:

- Secured fixed rate notes of Rs.2.22bn, with tenors between 5 to 10 years and bearing interest rate between 5.5% and 6.30%.
- Secured floating rate notes of Rs 1.28bn, with tenors between 5 to 10 years and bearing interest rate of repo rate + 1.3% and + 1.85%.

Interest is paid semi-annually in arrears in July and January of each year starting July 31, 2019.

The notes are secured partly by a fixed charge on land and partly by a pledge of listed securities owned either directly or indirectly by the company.

The maturity of non-current bond notes is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
- after one year and before two years	**-**	1,357,000	**-**	1,357,000
- after two years and before five years	**1,354,000**	1,354,000	**1,354,000**	1,354,000
- after five years	**2,430,526**	780,673	**2,430,526**	780,673
	3,784,526	3,491,673	**3,784,526**	3,491,673

(f) Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

(g) **Bank loans**

Bank loans are secured and bear interest rates as disclosed per note 22(m). The maturity of non-current borrowings is as follows (excluding bond notes and lease liabilities):

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
- after one year and before two years	**2,321,441**	1,214,634	**267,787**	265,645
- after two years and before five years	**6,241,999**	6,871,038	**759,857**	800,524
- after five years	**13,425,496**	11,797,738	**1,481,812**	1,711,598
	21,988,936	19,883,410	**2,509,456**	2,777,767

At year-end, one of the subsidiaries has breached covenants on several banking facilities. Accordingly, the group reclassified an amount of Rs.0.4m from non-current to current liabilities.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(h) **Lease liabilities**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,125,708**	1,140,670	**15,317**	22,391
Additions	**305,172**	232,710	**-**	-
Effect of remeasurement	**11,200**	3,900	**-**	472
Interest expense	**10,445**	4,622	**(203)**	(7)
Rent concession	**-**	(2,200)	**-**	-
Lease payment	**(241,317)**	(225,694)	**(5,993)**	(7,539)
Exchange difference	**35,012**	(11,000)	**-**	-
Disposal of subsidiaries	**(32,000)**	(15,000)	**-**	-
Termination of lease	**(2,309)**	(2,300)	**-**	-
At June 30,	**1,211,911**	1,125,708	**9,121**	15,317
Analysed as follows:				
Current	**239,023**	207,087	**6,136**	6,195
Non-current	**972,888**	918,621	**2,985**	9,122
	1,211,911	1,125,708	**9,121**	15,317
The gross payments of lease liabilities is analysed as follows:				
- not later than one year	**285,349**	234,854	**5,803**	6,895
- after one year and before two years	**350,783**	332,572	**181**	5,824
- after two years and before five years	**498,526**	327,833	**561**	552
- after five years	**160,065**	357,853	**10,584**	10,774
Total lease liabilities	**1,294,723**	1,253,112	**17,129**	24,045
Less interest	**(82,812)**	(127,404)	**(8,008)**	(8,728)
Discounted lease liabilities	**1,211,911**	1,125,708	**9,121**	15,317

- **Amounts recognised in profit or loss**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
<u>Leases under IFRS 16</u>				
Interest on lease liabilities	**51,653**	59,677	**699**	886
Variable lease payments not included in the measurement of lease liabilities	**700**	600	**-**	-
Expenses relating to short-term leases	**33,800**	21,700	**-**	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**38,200**	11,100	**-**	-
Amounts recognised in statement of cash flows				
Total cash outflow for leases	**241,317**	262,953	**5,993**	7,539

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(h) **Lease liabilities (cont'd)**

The group leases out its investment property. The group has classified those leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The group 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.

On long term lease contracts extending over periods of 60 to 99 years, the group cannot make an assessment of whether it will renew these leases at this stage.

(i) **Redeemable notes**

During the financial year 2023, Ascencia Limited, a subsidiary company has issued 4,760 notes at a nominal issue price of Rs.1m per note and total amounting to Rs.4.8bn. Salient features of the notes are as follows:

- The blended interest rate is 3.82% and interest is paid bi-annually. The interest rate shall also vary according to the loan rating.
- Note holders will not have the right to receive notice of, or attend, or vote on a poll at the shareholders' meetings of the company.
- The notes can be redeemed by the issuer at anytime after the 5th anniversary.
- The average tenor of the notes in issue is 9.3 years and will be redeemed in bullet at maturity.

(j) **Convertible bonds**

During the financial year 2023, Veranda Tamarin Ltd, a subsidiary company, entered into a bond agreement with the Mauritius Investment Corporation Ltd (''MIC''), a company set up by the Bank of Mauritius, to provide financial support to companies heavily impacted by COVID-19. The agreement stipulates that VLH Ltd will issue convertible bonds in favour of MIC amounting to Rs.100m. During the year, issue of 10 secured redeemable convertible bonds with a nominal value of Rs.10m per bond were issued, raising a total of Rs.100m and bearing interest rate of 3.5% per annum and a maturity of 8 years. The bonds are regarded as compound financial instruments and have an equity portion (Rs.78.6m) and a liability component (Rs.20.1m).

During the financial year 2023, an issue of 70 secured redeemable convertible bonds with a nominal value of Rs.10m per bond were issued, raising a total of Rs.700m and bearing interest rate of 3.3% per annum and a maturity of 7 years. The bonds are regarded as compound financial instruments and have an equity portion (Rs.566.6m) and a liability component (Rs.133.4m).

During the financial year 2021, VLH Ltd, a subsidiary company, entered into a bond agreement with the Mauritius Investment Corporation Ltd (''MIC''), a company set up by the Bank of Mauritius, to provide financial support to companies heavily impacted by COVID-19. The agreement stipulates that VLH Ltd will issue convertible bonds in favour of MIC amounting to Rs.1,300m. On June 28, 2021, a first issue of 60 secured redeemable convertible bonds with a nominal value of Rs.10m per bond were issued, raising a total of Rs.600m and bearing interest rate of 3.2% per annum and a maturity of 9 years. The bonds are regarded as compound financial instruments and have an equity portion (Rs.467.4m) and a liability component (Rs.127.2m).

(k) **Liabilities at fair value through profit or loss**

<u>Non-current</u>	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**325,000**	-
Additions	**-**	325,000
Amount recognised in profit or loss	**(11,300)**	-
At June 30,	**313,700**	325,000

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

22. BORROWINGS (CONT'D)

(k) **Liabilities at fair value through profit or loss (cont'd)**

Financial liabilities are classified under level 3 of the fair value hierarchy.

	Valuation technique 2023 & 2022	Unobservable inputs	Range	Sensitivity to changes in significant unobservable inputs
Redeemable convertible bonds	DCF and option pricing	Credit Spread	2023: 2% - 2.5% (2022: 2% - 2.5%)	The expected fair value will increase/(decrease) by Rs.7.1m and Rs.6.8m (2022: Rs.4.3m and Rs.4.1m), if the credit spread will be higher or lower by 0.5%.

(l) **Loans from other companies**

These loans are secured by floating charges on the assets of the borrowing companies.

(m) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Secured variable rate notes	**Repo+0.65-3.00**	Repo+0.65-3.00	**-**	-
Bank overdrafts	**4.1-7.75**	4.1-6.1	**6.75**	4.5-4.65
Bank loans	**1-14**	1.5-6	**5.40-6.75**	3.65-4.5
Bond notes	**3.55-6.3**	3.55-6.3	**4.90-6.70**	3.55-6.3
Loans from other companies	**4**	4	**-**	-
Debentures	**6**	6	**-**	-
Lease liabilities	**1-9.8**	1-8	**5.60-6.25**	5.60-6.25
Loans from other companies	**4**	4	**-**	-

(n) The exposure of the group's borrowings to the interest rate changes and the contractual repricing dates are disclosed above.

(o) The carrying amounts of borrowings are not materially different from their fair value.

(p) **Critical accounting estimates**

Determining the lease term of contracts with renewal and termination options - group as lessee

The group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, that is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Liabilities at fair value through profit or loss

The fair value of financial instruments is the price that would be paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of EBITDA growth rate, discount factor including credit spread, volatility and return on share price.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

23. DEFERRED INCOME TAXES

(a) **Accounting policy**

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

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

(b) Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2022: 17%).

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

Deferred tax assets on tax losses carried forward are recognised only to the extent that realisation of the related tax benefit is probable. The recoverability of tax losses is limited to a period of five years from the relevant year of assessment except for losses attributable to annual allowances claimed in respect of capital expenditure.

At the end of the reporting period, the group and the company had unused tax losses of Rs.2,090m and Rs.1,582m respectively (2022: Rs.1,779m and Rs.1,314m respectively) available for offset against future profits. A deferred tax asset of Rs.9.1m (2022: Rs.18.5m) has been recognised by the group in respect of part of these losses. No deferred tax asset has been recognised in respect of remaining losses due to the unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years except for losses attributable to annual allowances claimed in respect of capital expenditure.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax assets	**217,300**	239,838	**69,002**	73,749
Deferred tax liabilities	**(1,512,524)**	(1,026,075)	**-**	-
Net deferred tax (liabilities)/assets	**(1,295,224)**	(786,237)	**69,002**	73,749

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

23. DEFERRED INCOME TAXES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(786,237)**	(846,484)	**73,749**	71,908
On deconsolidation of subsidiaries	**(44,100)**	-	**-**	-
Acquisition of subsidiary	**299**	-	**-**	-
(Charged)/credited to profit or loss	**(171,859)**	58,635	**(5,060)**	(2,523)
(Charged)/credited to other comprehensive comprehensive income	**(293,327)**	1,612	**313**	4,364
At June 30,	**(1,295,224)**	(786,237)	**69,002**	73,749

(d) The movement in deferred income tax assets and liabilities during the year is as follows:

THE GROUP

(i) **2023**

	At July 1,	On deconsolidation of subsidiaries	Acquisition of subsidiary	(Charged)/ credited to profit or loss	Credited/ (charged) to other comprehensive income	At June 30,
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Accelerated tax depreciation	(433,231)	1,700	(435)	(169,005)	(69)	(601,040)
Asset revaluations	(222,725)	-	-	1,861	(300,300)	(521,164)
Impairment/fair value	(340,087)	(21,500)	-	(5,800)	-	(367,387)
Straightlining of rental income	(40,352)	-	-	5,685	-	(34,667)
Extended warranty	10,320	-	-	1,413	-	11,733
Tax losses	(25,754)	(24,300)	734	(6,223)	-	(55,543)
Lease liabilities	53,582	-	-	(2,248)	-	51,334
Employee benefits liabilities	204,667	-	-	2,334	7,042	214,043
Estimated credit losses	7,343	-	-	124	-	7,467
Deferred tax (liabilities)/assets	**(786,237)**	**(44,100)**	**299**	**(171,859)**	**(293,327)**	**(1,295,224)**

(ii) 2022

Accelerated tax depreciation	(544,529)	-	-	113,372	(2,074)	(433,231)
Asset revaluations	(220,936)	-	-	(1,789)	-	(222,725)
Impairment/fair value	(298,338)	-	-	(42,549)	800	(340,087)
Straightlining of rental income	(39,994)	-	-	(358)	-	(40,352)
Extended warranty	9,481	-	-	839	-	10,320
Tax losses	(12,539)	-	-	(13,215)	-	(25,754)
Lease liabilities	52,105	-	-	1,477	-	53,582
Employee benefits liabilities	203,027	-	-	(1,246)	2,886	204,667
Estimated credit losses	5,239	-	-	2,104	-	7,343
Deferred tax (liabilities)/assets	(846,484)	-	-	58,635	1,612	(786,237)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

23. DEFERRED INCOME TAXES (CONT'D)

(e) THE COMPANY

2023	At July 1,	(Charged)/ credited to profit or loss	Credited to other comprehensive income	At June 30,
	Rs'000	Rs'000	Rs'000	Rs'000
Asset revaluations	(836)	(1,158)	-	(1,994)
Accelerated tax depreciation	8,705	(1,999)	-	6,706
Estimated credit losses	4,962	131	-	5,093
Employee benefits liabilities	60,918	(2,034)	313	59,197
Deferred tax assets/(liabilities)	**73,749**	**(5,060)**	**313**	**69,002**
2022				
Asset revaluations	(836)	-	-	(836)
Accelerated tax depreciation	8,501	204	-	8,705
Estimated credit losses	4,527	435	-	4,962
Employee benefits liabilities	59,716	(3,162)	4,364	60,918
Deferred tax assets/(liabilities)	71,908	(2,523)	4,364	73,749

(f) **Critical accounting estimates**

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the group's investment property portfolio and have concluded that none of the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. As a result, the group has not recognised deferred tax on changes in the fair value of its investment properties as the group is not subject to capital gains tax on disposal of its investment properties.

24. DEFERRED RENT ASSETS

(a) **Accounting policy**

Deferred rent assets arise from the straightlining of rental income.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**4,183**	2,200	**4,183**	2,200
Movement	**2,199**	1,983	**2,199**	1,983
At June 30,	**6,382**	4,183	**6,382**	4,183

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

25. DEFERRED INCOME

(a) **Accounting policy**

The deferred income arises as a result of the capital grants received by AFD following their capital expenditure incurred on plant and machinery. This deferred income will be released to other income on the lifetime of the asset. Deferred income released to other income during the year amounts to Rs.666,000 (2022: Rs.697,000).

(b)

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Arising from (Agence Francaise de Développement (AFD)) grant	10,903	11,569

	2023	2022
	Rs'000	Rs'000
At July 1,	11,569	11,629
Additions	-	637
Income recognised	(666)	(697)
At June 30,	10,903	11,569

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS)

	THE GROUP		THE COMPANY	
Items of employees benefits include:	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Employee benefits assets	(25,000)	(36,200)	-	-
Retirement benefit obligations (see note (A))	1,081,507	1,037,989	345,516	355,917
Provision for vacation leaves (see note (B))	28,400	23,657	2,700	2,419
	1,109,907	1,061,646	348,216	358,336

(A) **Retirement benefit obligations**

(a) **Accounting policy**

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. Some subsidiaries of the group contribute to defined benefit plans for certain employees. The cost of providing benefits is determined using the projected unit credit method so as to spread the regular cost over the service lives of employees in accordance with the advice of actuaries. The liability recognised on the statement of financial position is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets.

The assets of the plan are invested in the deposit administration policy, a pooled insurance product for group Pension Schemes, underwritten by Swan Life. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments.

The assessment of these obligations is carried out annually by an independent firm of consulting actuaries using the unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using rates of government bonds.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur and will not be reclassified to profit or loss in subsequent periods.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) Retirement benefit obligations (cont'd)

(a) **Accounting policy (cont'd)**

Defined benefit plans (cont'd)

The group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss. Service costs, comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements, are recognised immediately in profit or loss.

The deficit standing in the defined benefit plans are funded over a period of time by way of additional contributions computed by the actuaries and agreed with the Regulator. This deficit is monitored by the actuaries and adjusted accordingly in the event of significant changes in the deficit level.

Contributions to the National Pension Scheme and the group's defined contribution pension plans are expensed to the statements of profit or loss in the year in which they fall due.

Defined contribution plans

A defined contribution plan is a pension plan under which a company pays fixed contributions into a separate entity. There is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Some subsidiaries operate a defined contribution plan for all qualifying employees. Payments to defined contribution retirement plans are recognised as an expense when employees have rendered services that entitle them to the contributions. Some subsidiary companies operate defined contribution retirement plans with no worse off guarantees provided for certain employees.

Some of the subsidiary companies operate defined contribution schemes with the Sugar Industry Pension Fund.

Following an agreement with the Sugar Industry Staff Employee's Association where a pension is provided on retirement, the scheme operates as a defined benefit scheme.

The group also runs a defined contribution plan, the Rogers Pension Fund (RPF), to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees, subject to them contributing regularly to the RPF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RPF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

Retirement gratuity

For employees who are not covered (or who are insufficiently covered by the above pensions plans), the net present value of gratuity on retirement payable under the Workers Rights Act 2019(WRA) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Contributions to the Contribution Sociale Généralisée and the group's defined contribution pension plan are expensed to the statements of profit or loss in the year in which they fall due.

The change in WRA has impacted workers having 5-day weeks and this has resulted in an impact on the past service costs. The amendment is applied since the joining dates of the employees and is accounted in full in the current year as the amendments became effective on August 22, 2022.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(b) Amounts recognised on the statements of financial position

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefits assets (note c)	**(25,000)**	(36,200)	**-**	-
	(25,000)	(36,200)	**-**	-
Defined pension schemes (note (d)(ii))	**540,827**	619,374	**262,769**	291,418
Other post retirement benefits (note (e)(i))	**540,680**	418,615	**82,747**	64,499
	1,081,507	1,037,989	**345,516**	355,917
Analysed as follows:				
Non-current assets	**(25,000)**	(36,200)	**-**	-
Non-current liabilities	**1,081,507**	1,037,989	**345,516**	355,917
Amounts charged to profit or loss:				
- Defined pension benefits (note(d)(vi))	**5,199**	33,881	**12,307**	13,203
- Other post retirement benefits (note (e)(iv))	**147,654**	28,175	**13,018**	3,386
	152,853	62,056	**25,325**	16,589
Amount (credited)/charged to other comprehensive income:				
- Defined pension benefits (note (d)(vii))	**(2,723)**	34,902	**(5,278)**	25,471
- Other post retirement benefits (note (e)(v))	**20,546**	22,074	**13,933**	196
	17,823	56,976	**8,655**	25,667

(c) **Employee benefits assets - Defined pension benefits**

(i) The amounts recognised on the statements of financial position are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Present value of funded obligations	**2,500,900**	2,450,500
Fair value of plan assets	**(2,622,500)**	(2,549,000)
Excess of fair value of plan assets over present value of funded obligations	**(121,600)**	(98,500)
Impact of minimum funding requirement/asset ceiling	**96,600**	62,300
Asset in the statements of financial position	**(25,000)**	(36,200)

(ii) The movement in asset recognised on the statements of financial position is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**(36,200)**	(35,500)
Charged to profit or loss	**4,100**	2,900
Charged/(credited) to other comprehensive income	**9,100**	(3,400)
Contributions paid	**(2,000)**	(200)
At June 30,	**(25,000)**	(36,200)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(c) **Employee benefits assets - Defined pension benefits (cont'd)**

(iii) The movement in the fair value of plan assets during the year is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**2,549,000**	2,519,200
Interest income	**117,200**	110,100
Employer contributions	**2,000**	200
Benefits paid	**(219,900)**	(310,000)
Return on plan assets excluding interest income	**174,200**	229,500
At June 30,	**2,622,500**	2,549,000

(iv) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**2,450,500**	2,409,500
Current service cost	**5,900**	4,600
Interest expense	**112,400**	105,000
Benefits paid	**(219,900)**	(310,000)
Liability experience losses	**291,600**	117,700
Liability (gains)/losses due to change in financial assumptions	**(139,600)**	123,700
At June 30,	**2,500,900**	2,450,500

(v) Reconciliation of the effect of the asset ceiling:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**62,300**	74,200
Charged to profit or loss	**3,000**	3,400
Charged/(credited) to other comprehensive income	**31,300**	(15,300)
At June 30,	**96,600**	62,300

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Current service cost	**5,900**	4,600
Interest income	**(1,800)**	(1,700)
	4,100	2,900

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Return on plan assets excluding interest income	**(174,200)**	(229,500)
Liability experience losses	**291,600**	117,700
Liability (gains)/losses due to change in financial assumptions	**(139,600)**	123,700
Change in effect of asset ceiling	**31,300**	(15,300)
	9,100	(3,400)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(c) **Employee benefits assets - Defined pension benefits (cont'd)**

(viii) The allocation of the plan assets at the end of the reporting period is as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Equity - Overseas quoted	**629,600**	509,800
Equity - Local quoted	**839,300**	943,100
Equity - Local unquoted	**-**	25,500
Debt - Overseas unquoted	**419,100**	407,800
Debt - Local quoted	**-**	152,900
Debt - Local unquoted	**550,900**	356,900
Property - Local	**52,400**	51,000
Cash and cash equivalents	**131,200**	102,000
	2,622,500	2,549,000

(ix) The principal assumptions used for accounting purposes of the actuarial valuations were as follows:

	THE GROUP	
	2023	2022
	%	%
Discount rate	**5.58**	4.80
Future salary increases	**3.0**	3.0

(x) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	**154,100**	170,200
Increase due to 1% decrease in discount rate	**182,500**	204,400

The sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between a minimum defined benefit ("DB") liability and the projected defined contribution ("DC") liabilities, the latter being Rs.175.9m as at April 30, 2023 (2022: Rs187.6m). Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The sensitivity have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined contribution as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The group expects to pay Rs.2.1m (2023: Rs.0.2m) as contributions for the year ended June 30, 2024.

(xii) The weighted average duration of the defined benefit obligation is 9.7 years (2022: 10.5 years) for the group at the end of the reporting period.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits**

(i) The group operates defined benefit pension plans for some of its subsidiary companies. They provide for a pension at retirement and benefit on death or disablement in service before retirement. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2023.

(ii) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligations	**1,280,259**	1,396,940	**469,405**	483,840
Present value of unfunded defined benefit obligations	**20,023**	3,614	**-**	-
Fair value of plan assets	**(759,455)**	(781,180)	**(206,636)**	(192,422)
Deficit of funded plans	**540,827**	619,374	**262,769**	291,418

(iii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**619,374**	566,524	**291,418**	283,721
Charged to profit or loss	**5,199**	33,881	**12,307**	13,203
(Credited)/charged to other comprehensive income	**(2,723)**	34,902	**(5,278)**	25,471
Contributions paid	**(81,023)**	(76,438)	**(35,678)**	(30,977)
Transfer from other retirement benefits	**-**	60,505	**-**	-
At June 30,	**540,827**	619,374	**262,769**	291,418

(iv) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,400,554**	1,266,622	**483,840**	461,233
Current service cost	**21,598**	23,686	**928**	2,557
Past service cost	**(17,054)**	(18,736)	**-**	491
Settlement loss	**(22,100)**	-	**-**	-
Interest cost	**47,959**	52,501	**13,465**	13,738
Actuarial losses/(gains)	**11,439**	91,057	**(2,880)**	39,945
Employee contributions	**(188)**	1,387	**12**	13
Liability gains due to change in financial assumptions	**(72,866)**	(409)	**(18,824)**	(3,972)
Liability losses/(gains) due to change in demographic assumptions	**1,300**	(2,700)	**-**	-
Benefits paid	**(102,520)**	(61,163)	**(28,805)**	(28,089)
Liability experience losses/(gains)	**32,160**	(12,196)	**21,669**	(2,076)
Transfer from other post retirement benefits	**-**	60,505	**-**	-
At June 30,	**1,300,282**	1,400,554	**469,405**	483,840

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits (cont'd)**

(v) The movement in the fair value of plan assets during the year is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(781,180)**	(700,098)	**(192,422)**	(177,512)
Employer contributions	**(81,023)**	(76,438)	**(35,678)**	(30,977)
Employee contributions	**188**	(1,387)	**(12)**	(13)
Scheme expenses	**835**	719	**516**	438
Interest income	**(29,040)**	(24,794)	**(4,260)**	(4,231)
Cost of insuring risk benefits	**3,001**	505	**1,658**	210
Benefits paid	**102,520**	61,163	**28,805**	28,089
Actuarial losses/(gains)	**25,244**	(40,850)	**(5,243)**	(8,426)
At June 30,	**(759,455)**	(781,180)	**(206,636)**	(192,422)

(vi) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**21,598**	23,686	**928**	2,557
Past service cost	**(17,054)**	(18,736)	**-**	491
Cost of insuring risk benefits	**3,001**	505	**1,658**	210
Interest cost	**18,919**	27,707	**9,205**	9,507
Settlement loss	**(22,100)**	-	**-**	-
Scheme expenses	**835**	719	**516**	438
Total included in employee benefit expense (note 35(b))	**5,199**	33,881	**12,307**	13,203

(vii) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Losses/(gains) on pension scheme assets	**17,505**	(28,102)	**(6,425)**	(5,107)
Liability experience losses	**77,167**	7,282	**33,235**	7,768
Liability gains due to change in financial assumptions	**(72,866)**	(409)	**(18,824)**	(3,972)
Liability losses/(gains) due to change in demographic assumptions	**1,300**	(2,700)	**-**	-
Return on plan assets	**7,739**	(12,748)	**1,182**	(3,319)
Changes in assumptions underlying the present value of the scheme	**(33,568)**	71,579	**(14,446)**	30,101
Actuarial (gains)/losses recognised in other comprehensive income	**(2,723)**	34,902	**(5,278)**	25,471

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits (cont'd)**

(viii) The principal assumptions used for accounting purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**1.1-6.7**	1.1-5.3	**4.7-5.4**	1.1-4.4
Expected return on plan assets	**5.0**	2.7	**5.0**	2.7
Future salary increases	**3.0-4.29**	2.0	**4.3**	2.0

(ix) The allocation of the plan assets at the end of the reporting period is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Qualifying insurance policies*	**19.68**	19.17	**-**	-
Local equities	**21.40**	19.78	**27.00**	25.00
Overseas equities	**18.56**	21.13	**24.00**	28.00
Debt	**21.47**	16.06	**25.00**	25.00
Property	**14.60**	12.26	**19.00**	17.00
Cash and cash equivalents	**4.16**	9.93	**5.00**	5.00
Investment funds	**0.13**	1.67	**-**	-
	100.00	100.00	**100.00**	100.00

*Some of the assets of the plan are invested in the deposit administration policy underwritten by Swan Life. The deposit administration policy is a pooled insurance product for group pension schemes. It is a long-term investment policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as equity funds. Moreover, the deposit administration policy offers a minimum guaranteed return of 4%.

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(x) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2023	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**66,390**	**17,474**
Increase due to 1% decrease in discount rate	**75,008**	**19,878**
Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumptions	**23,290**	**1,516**
Decrease in Defined Benefit Obligation due to 1% decrease in future long-term salary assumptions	**20,568**	**1,359**
June 30, 2022		
Decrease due to 1% increase in discount rate	102,972	20,444
Increase due to 1% decrease in discount rate	89,469	23,383
Increase in Defined Benefit Obligation due to 1% increase in future long-term salary assumptions	22,526	2,359
Decrease in Defined Benefit Obligation due to 1% decrease in future long-term salary assumptions	19,866	2,136

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(d) **Retirement benefit obligation - Defined pension benefits (cont'd)**

(x) The sensitivity analysis has been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligations have been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(xi) The defined pension plans expose the group to actuarial risks such as longevity risk, salary risk, interest risk and market (investment) risk.

Longevity risk

The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk

The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Market (investment risk)

The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Longevity and salary risks are applicable to defined benefit plan only.

(xii) The group expects to pay Rs.87m (2023: Rs.89.4m) respectively as contributions to their post-employment benefit plans for the year ended June 30, 2024.

(xiii) The weighted average duration of the defined benefit obligation is between 1 and 23 years (2022: 1 and 20 years) for the group at the end of the reporting period.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(e) **Other post retirement benefits**

Other post retirement benefits comprise of gratuity on retirement payable under the Workers' Rights Act 2019 and other benefits.

(i) The amounts recognised on the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**540,680**	418,615	**82,747**	64,499

(ii) The movement in liability recognised on the statements of financial position is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**418,615**	440,900	**64,499**	64,895
Charged to profit or loss	**147,654**	28,175	**13,018**	3,386
Charged to other comprehensive income	**20,546**	22,074	**13,933**	196
Employer contributions	**(37,535)**	(29,520)	**(8,703)**	(3,973)
Liability acquired	**-**	17,491	**-**	-
Transfer to defined pension benefits	**(8,600)**	(60,505)	**-**	(5)
At June 30,	**540,680**	418,615	**82,747**	64,499

(iii) The movement in the defined benefit obligations during the year is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**418,615**	440,900	**64,499**	64,895
Effect of curtailments/settlements	**(200)**	(794)	**-**	-
Current service cost	**33,902**	15,691	**1,679**	1,483
Past service cost and gains and losses on settlements	**96,886**	507	**9,676**	-
Interest expense	**17,068**	12,771	**1,663**	1,903
Actuarial losses/(gains)	**22,770**	12,131	**8,547**	(191)
Liability experience losses	**32,585**	12,543	**6,347**	214
Liability (gains)/losses due to change in financial assumptions	**(38,421)**	(651)	**(961)**	173
Liability losses/(gains) due to change in demographic assumptions	**3,610**	(1,949)	**-**	-
Benefits paid	**(37,535)**	(29,520)	**(8,703)**	(3,973)
Liability acquired	**-**	17,491	**-**	-
Transfer to defined pension benefits	**(8,600)**	(60,505)	**-**	(5)
At June 30,	**540,680**	418,615	**82,747**	64,499

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(e) **Other post retirement benefits (cont'd)**

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**33,902**	15,691	**1,679**	1,483
Effect of curtailments/settlements	**(200)**	(52)	**-**	-
Past service cost	**96,884**	(235)	**9,676**	-
Interest expense	**17,068**	12,771	**1,663**	1,903
Total included in employee benefit expense (note 35(b))	**147,654**	28,175	**13,018**	3,386

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Liability experience losses/(gains)	**41,902**	19,264	**4,141**	(893)
Liability losses/(gains) due to change in demographic assumptions	**3,610**	(2,900)	**-**	-
Liability (gains)/losses due to change in financial assumptions	**(11,454)**	1,242	**9,773**	1,089
Loss on pension scheme assets	**244**	-	**-**	-
Changes in assumptions underlying the present value of the scheme	**(13,756)**	4,468	**19**	-
Actuarial losses recognised in other comprehensive income	**20,546**	22,074	**13,933**	196

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**5.0-7.2**	0.6-5.8	**4.8-5.2**	2.7-3.3
Future long term salary increase	**2.5-4.29**	2.0-3.0	**3.3-4.3**	2.0
Future guaranteed pension increase	**2.0**	0.5-3.0	**2.0**	2.0

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting period:

	THE GROUP	THE COMPANY
June 30, 2023	**Rs'000**	**Rs'000**
Decrease due to 1% increase in discount rate	**58,602**	**2,650**
Increase due to 1% decrease in discount rate	**75,110**	**2,915**
Increase due to 1% increase in future long-term salary assumptions	**37,558**	**24,443**
Decrease due to 1% decrease in future long-term salary assumptions	**36,302**	**25,239**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(A) **Retirement benefit obligations (cont'd)**

(e) **Other post retirement benefits (cont'd)**

(vii) Sensitivity analysis on defined benefit obligations at end of the reporting period (cont'd):

	THE GROUP	THE COMPANY
June 30, 2022	Rs'000	Rs'000
Decrease due to 1% increase in discount rate	43,066	2,921
Increase due to 1% decrease in discount rate	59,134	3,236
Increase due to 1% increase in future long-term salary assumptions	38,792	24,758
Decrease due to 1% decrease in future long-term salary assumptions	37,395	25,371

(viii) The weighted average duration of the defined benefit obligation is between 3 and 29 years (2022: 3 and 26 years) for the group at the end of the reporting period.

(B) **Provision for vacation leaves**

(a) **Accounting policy**

Vacation leave and other compensated absences with similar characteristics are accrued as a liability, as stipulated under long term benefits in IAS 19, as these benefits are earned by eligible employees based on past service and it is probable that the employer will compensate these employees for the benefits through paid time off or cash payments.

The assessment of this provision is carried out annually by management for eligible employees. Such employees are those who fall under the definition of a worker under The Workers' Rights Act 2019 and have covered a qualifying period of service.

The liability is measured using forecasted salary rates of the workers at the time of entitlement, which is then reduced by the average staff turnover applicable to the company. The present value of the vacation leave provision is determined by discounting the estimated future cash flows using rates of government bonds.

(b) The movement in the liability during the year is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**23,657**	19,798	**2,419**	2,648
Release during the year	**(133)**	(279)	**-**	(229)
Charge for the year	**4,876**	4,138	**281**	-
At June 30,	**28,400**	23,657	**2,700**	2,419

(c) The principal assumptions used for the purpose of computing the provision were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**2.1-5.0**	2.1-5.0	**4.9**	2.2
Staff turnover	**2.0-56.0**	2.0-25.0	**10.0**	15.0
Future long term salary increase	**2.0-3.3**	2.0-2.5	**3.3**	2.0

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

26. EMPLOYEE BENEFITS LIABILITIES/(ASSETS) (CONT'D)

(B) **Provision for vacation leaves (cont'd)**

(d) Sensitivity analysis on provision for vacation leaves at end of the reporting period:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Change by 1% in discount rate	**89**	31	**1**	1
Change by 1% in staff turnover	**202**	141	**1**	1
Change by 1% in future long-term salary assumptions	**244**	190	**1**	1

(e) **Critical accounting estimates**

Pension benefits

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Provision for vacation leaves

The present value of the provision for vacation leaves depend on a number of factors that are determined using a number of assumptions, which includes the discount rate. Any change in these assumptions will impact the carrying amount of the provision.

The group determines the appropriate discount rate at the end of each year. This is the interest rate used to determine the present value of the cost of the vacation leave. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that have maturity approximating the terms of the related provision.

27. OTHER LONG TERM PAYABLES

(a) **Accounting policy**

Other long term payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These relate to those payables which will be repaid after 12 months.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Acquisition of land conversion rights	**76,780**	-	**17,046**	-

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

28. TRADE AND OTHER PAYABLES

(a) **Accounting policy**

Trade and other payables

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

The company grants an additional warranty coverage after expiry of the standard warranty provides by the car manufacturer for certain brand makes.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events which will probably result in an outflow of resources that can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into accounts the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When the effect of time value of money is material, provisions relating to cash outflows that arise soon after the reporting period are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted using weighted averaged interest rate based on the company's current funding facilities.

Repairs

The actual level of repairs under such claims incurred are charged against the initial provision made.

Reversal of unused amount

The provision for deferred warranty is reversed on a straight line basis over the additional warranty period granted by the company. The unused amount of deferred warranty provision after charging actual repairs is reversed accordingly. At end of the additional warranty coverage term, the release of the deferred warranty is terminated concurrently.

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

(a) Warranty

The company grants an additional warranty coverage after expiry of the standard warranty provided by the car manufacturer for certain brand makes.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

28. TRADE AND OTHER PAYABLES (CONT'D)

(a) **Accounting policy (cont'd)**

(a) Warranty (cont'd)

(i) Provision

A provision for warranties is recognised for future expected warranty claims at time of sale of the vehicle to cover the additional warranty period. The provision for the deferred warranties is generally estimated based on the following:

- model and types of vehicles;
- historical data of claims made;
- past experience of the level of repairs done; and
- external factors (international freight evolution, changes in rate of foreign currency and inflation).

(ii) Discounting of provision

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are therefore discounted using weighted average interest rate based on the Company's current funding facilities.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**2,593,886**	2,085,863	**11,005**	7,392
Other payables and accruals	**2,980,510**	2,569,906	**83,185**	49,543
	5,574,396	4,655,769	**94,190**	56,935

Trade and other payables are denominated in Mauritian rupees and their carrying amounts approximate their fair values. Trade and other payables are repayable within one year.

Other payables include unearned merchant discount, unearned insurance, provision for warranty and retention of payment to contractors for construction of villas.

Accruals consist of expenses accrued in the normal course of business.

(c)

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Provisions	**333,600**	248,200

Provisions consist mainly of provisions made for bonuses, vacation leaves and travelling allowances.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

29. LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

(a) **Accounting policy**

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the group has received full or partial consideration from the customer. In cases where the customer pays consideration before the group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the group performs under the contract, that is, transfers control of the related goods or services to the customer. The group also derives income from sales of land options. A land option gives the customer the option to buy a property in the future against an upfront payment. The proceeds are treated as a contract liability as no performance obligation is delivered at that time until the customer buys the land or the option period expires. The contract liabilities relate to advance consideration received from customers for which revenue is recognised over time.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**1,000,414**	743,325	**33,980**	-
Amounts included in contract liabilities that was recognised as revenue during the year	**(672,667)**	(1,117,234)	**(25,205)**	-
Cash received in advance of performance and not recognised as revenue during the year	**708,670**	1,389,923	**2,146**	33,980
Exchange difference	**3,100**	5,000	**-**	-
Transfer to borrowings	**-**	(20,600)	**-**	-
At June 30,	**1,039,517**	1,000,414	**10,921**	33,980
Analysed as follows:				
Non-current	**272,900**	226,700	**-**	-
Current	**766,617**	773,714	**10,921**	33,980
	1,039,517	1,000,414	**10,921**	33,980

Contract liabilities include advances received for port services, advance payment from customers, deposits from guest, packing, shipping and freight forwarding services for which performance obligations were not yet satisfied at end of the reporting period.

30. AMOUNTS PAYABLE TO GROUP COMPANIES

(a) **Accounting policy**

Amounts payable to group companies are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) THE COMPANY

	2023	2022
	Rs'000	Rs'000
Subsidiary companies	**143,757**	34,942

Amounts payable to group companies are unsecured, interest free, repayable on demand, denominated in Mauritian rupees and their carrying amounts approximate their fair values.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

31. REVENUE

(a) Accounting policy

Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The group derives most of its revenue from selling goods and services. Revenue is recognised at a point in time when control of the goods or services rendered are actually transferred to the customer. This is generally when the goods are delivered to the customer or services provided. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. Revenue generated from the sale of goods and sale of services defined above are recognised either at a point in time or on an over time basis depending on when the control of the goods or services rendered is actually transferred to the customer. This is generally when the goods or services are delivered to the customer.

A subsidiary has entered into contracts with customers for the construction of apartments and duplexes and sale to customers on the basis of "Vente En État Future D'Achèvement (VEFA)". The transaction price is included in the agreement and payment is to be effected based on the relevant milestones achieved. As per the terms of the contract, the units/villas being sold to the customer has no other alternative use and the company has a right to payment for performance to date. Control passes on to the customer as and when construction progresses and hence, revenue is recognised over time.

Other than revenue from sale of villas or provision of landscaping services, all revenue generated from the sale of goods and services are recognised at a point in time.

Revenue from the sale of inventory property

Some subsidiaries enter into contracts with customers to sell property that are either completed or under development.

(i) Completed inventory property

The sale of completed property constitutes a single performance obligation and the group has determined that this is satisfies at the point in time when control transfers. For unconditional exchange of contracts, this generally occurs when legal title transfers to the customer. For conditional exchanges, this generally occurs when all significant conditions are satisfied.

(ii) Inventory property under development

The group considers whether there are promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. For contracts relating to the sale of property under development, the group is responsible for the overall management of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures (e.g. windows, doors, cabinery, etc.) and finishing work. The group accounts for these items as a single performance obligation because it provides a significant service of integrating the goods and services (the inputs) into the completed property (the combined output) which the customer has contracted to buy. The over time recognition criteria would typically be measured using the output method by reference to the milestones/value of work certified by the valuer to the satisfaction of the performance obligation.

A subsidiary provides landscaping services to clients, with revenue recognised on an over time basis. The subsidiary recognises revenue based on stage of completion of the project, and certified by internal or external quantity surveyors.

A subsidiary is engaged in the sale of motor vehicles, parts and accessories is recognized at the point in time. It provides warranties which require the company to either replace or mend a defective product during the warranty period if the goods sold fail to comply with agreed-upon specifications. For warranties where the customer does not have the option to purchase separately and which do not provide a service in addition to the assurance that the product complies with agreed-upon specifications, the warranties are not accounted for as a separate performance obligation and hence no revenue is allocated to them separately. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It also sells maintenance contracts to customers. Revenue from these contracts are recognized over the contract period. A contract liability is recognized for payments made before service is offered.

Determining the transaction price

The group's revenue is mostly derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Each contract has a fixed price which is correspondingly allocated to performance obligations.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

31. REVENUE

(a) **Accounting policy (cont'd)**

Revenue from contracts with customers (cont'd)

Other revenues earned by the group are recognised on the following bases:

(i) Rental income

Rental income is recognised on a straight line basis over the lease term.

(ii) The recognition of sugar and molasses proceeds is based on total production of the crop year. Bagasse proceeds are accounted for in the year in which it is received. Sugar prices are based on the recommendations made to all sugar companies by the Mauritius Chamber of Agriculture after consultation with the Mauritius Sugar Syndicate.

(iii) Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Earnings from finance leases are recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial assets. If the assets are no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

(v) Management fees are recognised when the control of services is transferred to the customer at an amount that reflects the condition to which the group expects to be entitled in exchange of those services.

(vi) Fees and commissions

Discounts received from merchants on financing of credit agreements are initially recognised and presented in other liabilities in the statements of financial position. The release to profit or loss is recognised in fee and commission income in the statements of profit or loss. Merchant discount is recognised over the period of time in line with the credit facility provided to the customers. Otherwise, commission accrues when the service is provided and billable. Other fees and commission income are recognised as the related services are performed.

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sales of goods (including property)	**10,226,666**	7,355,162	**-**	-
Sales of services	**7,906,006**	6,325,834	**-**	-
Sugar and agricultural diversification proceeds	**627,592**	711,604	**-**	-
Management and secretarial fees	**11,980**	6,936	**48,993**	47,129
Other revenue	**398,407**	933,252	**23,276**	22,126
Revenue from contracts with customers	**19,170,651**	15,332,788	**72,269**	69,255
Rental income	**1,056,972**	1,695,508	**73,382**	47,846
Commission	**469,735**	407,699	**-**	-
Interest income calculated using the EIR	**136,900**	214,478	**-**	-
Interest	**5,178**	6,394	**64,196**	57,260
Dividend income	**12,370**	11,022	**243,050**	175,558
	20,851,806	17,667,889	**452,897**	349,919

(c) **Critical accounting estimates**

Revenue recognition

Revenue is recognised over time for long-terms contracts. Management exercises judgement in determining the performance obligations. In addition, management exercises judgement in assessing whether control has been transferred to the customer before revenue is recognised.

32(a) OTHER OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sugar estate other operating expenses	**657,717**	465,014	**83,294**	73,274
Depreciation and amortisation	**833,534**	785,014	**11,554**	12,312
Selling and other expenses	**221,027**	267,730	**-**	-
	1,712,278	1,517,758	**94,848**	85,586

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

32(b)ADMINSTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefit expense	**3,314,462**	2,699,652	**99,305**	56,524
Other expenses and services including professional services	**1,852,449**	1,206,174	**231,517**	212,206
	5,166,911	3,905,826	**330,822**	268,730

33. SPECIFIC ITEMS

(a) Cost of sales is made up of cost of inventories, employee benefit expense, depreciation and cost of raw materials.

(b) Profit on disposal of land, investment properties and investments includes gain on sale of land to a subsidiary amounting to Rs.148m (2022: Rs.nil) at company level.

(c) At June 30, 2022, the group paid a deferred consideration with regards to its investment in a subsidiary company.

(d) Compensation received from a subsidiary company for excess contributed for land interchange.

(e) As per the shareholder's agreement of The Beau Vallon Shopping Mall Ltd (BVM) there were certain rights that were granted to Atterbury Property Holdings Proprietary Limited (APH) to subscribe to shares in BVM as foreign investors. At the time of the acquisition of the remaining stake by Ascencia Limited (Ascencia), the shares were not yet subscribed. A payment of Rs.41.3m was effected to APH and was considered as an exit cost.

At June 30, 2021, Ascencia, a subsidiary company, held 50% of the share capital and voting rights of BVM. On October 12, 2021, Ascencia acquired the remaining 50% of the share capital and voting rights of BVM from Enatt, another subsidiary company, for a total consideration of Rs.145.5m, settled in cash. This transaction was eliminated on group and gave rise to change in effective holding in BVM without any loss of control.

(f) On November 30, 2022, General Cargo Services Limited, a subsidiary company, acquired a 100% stake in Rongai Workshop and Transport Limited for a consideration of Rs.62.4m. The excess of the fair valuation of net assets over the consideration price resulting from this transaction amounted to Rs.53.0m. Refer to note 44 for more details.

34. FINANCE COSTS

(a) **Accounting policy**

Finance costs comprise of interest on borrowings using the effective interest rate method or the contractual rate and accrue to the period end.

Interest received and paid on consumer finance business is part of the operating activities of the group.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

34. FINANCE COSTS (CONT'D)

(b)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
The finance costs are on:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Consumer finance business				
Interest expense - consumer finance business	**26,000**	19,100	**-**	-
Other financing				
- Bank overdrafts	**50,591**	33,752	**3**	14
- Bank and other loans	**1,556,651**	1,071,535	**439,224**	319,915
- Lease liabilities	**51,653**	59,677	**699**	886
	1,658,895	1,164,964	**439,926**	320,815
Foreign exchange (losses)/gains	**(17,739)**	(10,745)	**(371)**	22
	1,641,156	1,154,219	**439,555**	320,837
Total finance costs	**1,667,156**	1,173,319	**439,555**	320,837

35. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation is arrived after:				
Crediting :				
Investment income from equity investments in financial assets at fair value through profit or loss	**4,110**	3,213	**6,117**	2,839
Investment income from equity investments in financial assets at fair value through other comprehensive income held during the reporting period	**8,200**	7,804	**-**	-
Investment income from subsidiaries, jointly controlled entities and associates	**-**	-	**236,933**	172,720
Interest income	**129,768**	220,872	**64,196**	57,260
Profit on disposal of property, plant and equipment, intangible assets, investment properties and investments	**44,781**	51,209	**163,453**	364,487
Fair value gain on revaluation of investment properties and straightlining adjustment	**990,116**	681,258	**1,119,186**	298,152
Fair value gain on financial assets at fair value through profit or loss (see note 12(c)(i))	**-**	6,684	**-**	6,684
and charging:				
Depreciation on property, plant and equipment	**714,005**	674,315	**7,258**	7,379
Depreciation of right of use assets	**173,875**	175,833	**4,296**	4,934
Amortisation of intangible assets	**78,540**	86,202	**-**	-
Fair value loss on financial assets at fair value through profit or loss (see note 12(c)(i))	**20,970**	-	**20,970**	-
Employee benefit expense (see note (b) below)	**3,314,462**	2,699,652	**99,305**	56,524

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

35. PROFIT BEFORE TAXATION (CONT'D)

(a) Excess of fair value of the share of net assets over acquisition price arise upon acquisition of associated companies.

(b) Employee benefit expense

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**3,161,609**	2,637,596	**73,980**	39,935
Pension costs:				
- defined benefit plans (note 26(d)(vi))	**5,199**	33,881	**12,307**	13,203
- other post retirement benefits (note 26(e)(iv))	**147,654**	28,175	**13,018**	3,386
	3,314,462	2,699,652	**99,305**	56,524

36. INCOME TAX

(a) CHARGE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on the adjusted profit for the year at 17% (including CSR) (2022: 17%)	**268,144**	196,822	**-**	-
Under/(over) provision	**18,790**	(6,856)	**-**	-
	286,934	189,966	**-**	-
Deferred tax charge/(credit)	**166,825**	(63,394)	**5,060**	2,523
Income tax charge	**453,759**	126,572	**5,060**	2,523

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

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

Every Mauritian company is required to set up a CSR fund equivalent to 2% of its chargeable income of the preceding year and the company should remit 75% of the fund respectively to the Mauritian Tax Authorities. This practice is being interpreted and CSR is classified as taxation.

Income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period.

(b) LIABILITY

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 1,	**129,044**	87,663
Acquisition of subsidiaries	**(15,100)**	-
Corporate Social Responsibility	**7,327**	10,963
Under/(over) provision	**18,790**	(6,856)
Charge for the year	**260,817**	185,549
Paid during the year	**(196,495)**	(151,994)
Effect of tax deduction at source	**(108,400)**	-
Translation difference	**(579)**	3,719
At June 30,	**95,404**	129,044

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

36. INCOME TAX (CONT'D)

(c) The tax on the group's and company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the group and the company as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation from continuing operations	**3,302,832**	1,718,686	**853,574**	383,620
Profit before taxation from discontinued operations	**11,300**	33,700	**-**	-
Tax calculated at a rate of 17% (2022: 17%)	**563,402**	298,229	**145,108**	65,215
Tax effect of :-				
Income not subject to tax (i)	**(510,145)**	(589,764)	**(269,965)**	(162,799)
Effect of different tax rates	**424**	20,198	**-**	-
Expenses not deductible for tax purposes (ii)	**360,154**	332,849	**63,230**	44,614
Recognised tax losses	**(5,613)**	-	**-**	-
Utilisation of previously unrecognised tax losses*	**(17,241)**	(2,123)	**-**	-
Deferred tax impact	**(12,055)**	(68,368)	**-**	-
Tax losses for which no deferred tax asset was recognised*	**82,559**	111,242	**66,687**	55,493
Over/(under) provision of income tax in previous years	**18,790**	(6,311)	**-**	-
Effect of consolidation adjustments	**-**	77,690	**-**	-
Effect of tax on associated companies	**(39,584)**	(58,842)	**-**	-
Other movements (iii)	**13,068**	11,772	**-**	-
Income tax charge	**453,759**	126,572	**5,060**	2,523

* Comparative figures for the group have been updated for better presentation.

(i) Income not subject to tax includes annual allowances, dividend income from resident companies, exempt interest income, profit on sale of land and buildings, reversals of impairment losses, fair value gain on investment properties.

(ii) Expenses not deductible for tax purposes include interest on leases, bad debts written off and provision for impairment losses.

(iii) Other movements consist of non qualifying assets on bearer biological assets and corporate social responsibility (CSR).

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

37. FAIR VALUE, REVALUATION AND OTHER RESERVES

(a) THE GROUP

(i) **June 30, 2023**

	Holding company and subsidiaries		Associated companies	
	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2022	**15,237,390**	**85,994**	**1,448,552**	**16,771,936**
Transfers	**(549)**	**(25,800)**	**(177,054)**	**(203,403)**
Effect of change in ownership interest not resulting in loss of control	**-**	**-**	**291**	**291**
Other comprehensive income for the year:				
Gain on revaluation of property, plant and equipment	**2,548,375**	**-**	**-**	**2,548,375**
Change in fair value of equity instruments at fair value through other comprehensive income	**-**	**(52,448)**	**50,224**	**(2,224)**
At June 30, 2023	**17,785,216**	**7,746**	**1,322,013**	**19,114,975**

(ii) June 30, 2022

	Holding company and subsidiaries		Associated companies	
	Revaluation reserves	Fair value, capital and translation reserves	Revaluation, fair value, capital and translation reserves	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2021	14,511,858	(27,361)	808,516	15,293,013
Effect of change in ownership not resulting in:				
-loss of control	6,595	-	-	6,595
Transfers	(19,687)	-	-	(19,687)
Other comprehensive income for the year:				
Gain on revaluation of property, plant and equipment	738,624	-	-	738,624
Change in fair value of equity instruments at fair value through other comprehensive income	-	104,933	-	104,933
Currency translation differences	-	8,422	-	8,422
Share of other comprehensive income of associated companies and jointly controlled entities	-	-	640,036	640,036
At June 30, 2022	15,237,390	85,994	1,448,552	16,771,936

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

37. FAIR VALUE, REVALUATION AND OTHER RESERVES (CONT'D)

(b) THE COMPANY

	2023	2022
	Rs'000	Rs'000
Revaluation and fair value reserves		
At July 1,	**10,120,561**	5,043,702
Transfer from retained earnings on capital reduction	**(26,665)**	6,759
Gain on revaluation of property, plant and equipment	**26,547**	-
Change in fair value of equity instruments at fair value through other comprehensive income	**3,976,354**	5,070,100
At June 30,	**14,096,797**	10,120,561

Revaluation and fair value reserves

Fair value and revaluation reserves consist of the cumulative gains/losses arising from revaluation of the group's property, plant and equipment, the cumulative net change in the fair value of financial assets at fair value through other comprehensive income and the foreign currency differences arising from the translation of the financial statements of foreign operations.

38. DIVIDENDS PAYABLE

(a) **Accounting policy**

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

(b)

	2023	2022
	Rs'000	Rs'000
At July 1,	**168,748**	187,498
Declared during the year	**374,996**	299,997
Paid during the year	**(356,246)**	(318,747)
At June 30,	**187,498**	168,748

(c) Amounts recognised as distributions to equity holders during the year:

	2023	2022
Ordinary shares		
- Interim dividend for the year ended June 30, 2023 of Rs.0.50 (2022: Rs.0.35) per share	**187,498**	131,249
- Final dividend for the year ended June 30, 2023 of Rs.0.50 (2022: Rs.0.45) per share	**187,498**	168,748
	374,996	299,997
Dividend per share (Rs.)	**1.00**	0.80

39. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholder of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. At the reporting date, the group did not have shares with dilutive effects in issue (2022: nil).

		THE GROUP		THE COMPANY	
		2023	2022	2023	2022
(a) **From continuing operations**					
Net Profit attributable to owners of the company	Rs'000	**1,705,340**	826,311	**848,514**	381,097
Basic number of ordinary shares in issue ('000)		**374,996**	374,996	**374,996**	374,996
Earnings per share	Rs.	**4.55**	2.20	**2.26**	1.02
(b) **From discontinued operations**					
Net Profit attributable to owners of the company	Rs'000	**3,942**	15,052	**-**	-
Basic number of ordinary shares in issue ('000)		**374,996**	374,996	**-**	-
Earnings per share	Rs.	**0.01**	0.04	**-**	-

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

40. NOTES TO THE STATEMENTS OF CASH FLOWS

Cash and cash equivalents comprise of cash in hand, amounts repayable on demand from banks and financial institutions and short term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts for the purpose of Statements of Cash Flows. Interest received and paid on consumer finance business is part of the operating activities of the group. Bank overdrafts are shown within loans and borrowings in current liabilities on the Statements of Financial Position.

(a) **Cash generated from operations**

	Notes	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation from continuing operations		**3,445,245**	1,718,686	**853,574**	383,620
Profit before taxation from discontinued operations		**11,300**	33,700	**-**	-
Adjustments for:					
Depreciation of property, plant and equipment	5(b),5(c)	**714,005**	674,315	**7,258**	7,379
Depreciation of right of use assets	5(e)	**173,875**	175,833	**4,296**	4,934
Amortisation of intangible assets	8	**78,540**	86,202	**-**	-
Interest expense	34(b)	**1,658,895**	1,198,692	**439,555**	320,837
Interest income	31(b)	**(142,078)**	(220,872)	**(64,196)**	(57,260)
Fair value gain on investment properties and straightlining adjustment	6	**(990,116)**	(681,258)	**(1,119,186)**	(298,152)
Fair value loss/(gain) on financial assets at fair value through profit or loss		**20,970**	(6,684)	**20,970**	(6,684)
Release of deferred expenditure to expenses		**6,688**	15,959	**-**	-
Profit on disposal of land, investment properties and investments		**(500)**	(25,168)	**(166,631)**	(361,562)
Profit on disposal of property, plant and equipment, intangible assets and investment properties		**(44,281)**	(26,041)	**(1,822)**	(2,925)
Impairment on financial assets and receivables	13, 14, 17, 19	**64,700**	(54,700)	**768**	228
Provision for retirement benefit obligations	26(A)	**42,227**	(32,533)	**(19,056)**	(18,366)
Payment compensation loss of office	26(A)	**(5,832)**	(4,232)	**-**	-
Provision for vacation leave	26(B)	**4,743**	3,859	**281**	(229)
Share of results of associated companies and jointly controlled entities, net of dividends	10(b),11(b)	**(1,300,431)**	(390,982)	**-**	-
Share of results of societe		**-**	-	**(392)**	1,186
Profit on capital reduction		**-**	-	**-**	(6,759)
Grant released		**(667)**	(657)	**-**	-
Release of amortised cost		**485**	(7,695)	**-**	-
Fair value adjustment on bearer assets		**-**	102	**-**	-
Goodwill and other write off		**-**	200	**-**	-
Bad debts written off		**14,629**	(152)	**278**	(1,194)
Effect of remeasurement	5(e), 22(h)	**35,168**	9,900	**-**	-
Deferred rent assets		**(2,199)**	(1,983)	**(2,199)**	(1,983)
Translation difference		**(179,508)**	(150,209)	**(370)**	20
Termination of lease		**-**	1,400	**-**	-
Gain on bargain purchase	33(f)	**(53,000)**	-	**-**	-
Dividend in specie		**(232)**	-	**(232)**	-
Payables write back		**-**	-	**(25)**	-
		3,552,626	2,315,682	**(47,129)**	(36,910)
Changes in working capital:					
- inventories		**(695,628)**	672,059	**-**	-
- consumable biological assets		**(67,104)**	8,039	**-**	-
- trade and other receivables		**(3,632)**	(525,680)	**1,036**	(360)
- receivable from group companies		**-**	-	**(64,783)**	33,526
- loans and advances		**(472,200)**	62,400	**-**	-
- trade and other payables		**1,051,323**	998,395	**21,083**	14,281
- payables to group companies		**-**	-	**(4,820)**	(481)
Cash generated from/(used in) operations		**3,365,385**	3,530,895	**(94,613)**	10,056

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(b) **Major non-cash transactions**

The principal non-cash transactions include the acquisition of property, plant and equipment under finance leases, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income received as consideration for sale of investments. These non-cash transactions are not significant.

(c) **Cash and cash equivalents**

	THE GROUP 2023	THE GROUP 2022	THE COMPANY 2023	THE COMPANY 2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank overdrafts (note 22(b))	**(1,721,183)**	(1,218,252)	**-**	-
Cash at bank and in hand	**5,725,091**	5,245,016	**637,353**	452,566
Cash and cash equivalents	**4,003,908**	4,026,764	**637,353**	452,566

At June 30, 2023, cash and cash equivalents have been considered for impairment and impairment loss was negligible and hence not accounted for. The maximum exposure to credit risk at the reporting date for the cash at bank is its fair value.

(d) **Reconciliation of liabilities arising from financing activities**

THE GROUP	Secured fixed and variable rate notes	Debentures	Convertible bonds	Bank and other loans	Bond notes	Lease liabilities	Shareholders' loans	Redeemable notes	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2022	**5,819,530**	**954,905**	**116,500**	**13,390,517**	**3,564,786**	**1,125,708**	**6,600**	**4,741,000**	**29,719,546**
Proceeds from borrowings	-	**150,000**	**140,700**	**5,826,042**	**1,652,370**	-	**3,950**	-	**7,773,062**
New lease	-	-	-	-	-	**334,073**	-	-	**334,073**
Effect of remeasurement	-	-	-	-	-	**18,432**		-	**18,432**
Payments on borrowings	**(1,000,000)**	**(42,100)**	-	**(5,052,890)**	-	-	**(3,300)**	-	**(6,098,290)**
Principal payments on lease liabilities	-	-	-	-	-	**(241,317)**	-	-	**(241,317)**
Interest accrued	**2,700**	-	-	**880**	**47,938**	**47,665**	-	**2,000**	**101,183**
Amortised cost	**485**	-	-	**(149,385)**	**(2,517)**	-	-	-	**(151,417)**
Disposal of subsidiaries	-	-	-	**(1,465,300)**	-	**(32,100)**	-	-	**(1,497,400)**
Foreign exchange movements	-	-	-	**137,477**	-	**(40,550)**	-	-	**96,927**
At June 30, 2023	**4,822,715**	**1,062,805**	**257,200**	**12,687,341**	**5,262,577**	**1,211,911**	**7,250**	**4,743,000**	**30,054,799**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(d) **Reconciliation of liabilities arising from financing activities (cont'd)**

THE GROUP (CONT'D)	Secured fixed and variable rate notes Rs'000	Debentures Rs'000	Convertible bonds Rs'000	Bank and other loans Rs'000	Bond notes Rs'000	Lease liabilities Rs'000	Shareholders' loans Rs'000	Redeemable notes Rs'000	Total Rs'000
At July 1, 2021	5,055,531	836,505	127,200	17,393,503	3,561,155	1,140,670	-	-	28,114,564
Proceeds from borrowings	788,099	150,000	-	5,067,660	-	-	6,600	4,741,000	10,753,359
New lease	-	-	-	-	-	232,710	-	-	232,710
Payments on borrowings	(24,100)	(31,600)	(10,700)	(8,797,687)	-	-	-	-	(8,864,087)
Principal payments on lease liabilities	-	-	-	-	-	(262,953)	-	-	(262,953)
Interest accrued	-	-	-	-	3,631	41,281	-	-	44,912
Disposal of subsidiaries	-	-	-	-	-	(15,000)	-	-	(15,000)
Foreign exchange movements	-	-	-	(272,959)	-	(11,000)	-	-	(283,959)
At June 30, 2022	5,819,530	954,905	116,500	13,390,517	3,564,786	1,125,708	6,600	4,741,000	29,719,546

THE COMPANY	Bank loans Rs'000	Bond notes Rs'000	Lease liabilities Rs'000	Total Rs'000
At July 1, 2022	**3,388,669**	**3,564,786**	**15,317**	**6,968,772**
Proceeds from borrowings	**-**	**1,652,419**	**-**	**1,652,419**
Payments on borrowings	**(610,902)**	**-**	**-**	**(610,902)**
Principal payments on lease liabilities	**-**	**-**	**(5,993)**	**(5,993)**
Interest accrued	**-**	**47,938**	**(203)**	**47,735**
Amortised cost	**(727)**	**(2,566)**	**-**	**(3,293)**
At June 30, 2023	**2,777,040**	**5,262,577**	**9,121**	**8,048,738**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

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

(d) **Reconciliation of liabilities arising from financing activities (cont'd)**

THE COMPANY	Bank loans Rs'000	Bond notes Rs'000	Lease liabilities Rs'000	Total Rs'000
At July 1, 2021	3,693,989	3,561,155	22,391	7,277,535
Proceeds from borrowings	499,750	-	-	499,750
Payments on borrowings	(806,064)	-	-	(806,064)
Principal payments on lease liabilities	-	-	(7,539)	(7,539)
Interest accrued	994	3,631	(7)	4,618
Remeasurement	-	-	472	472
At June 30, 2022	3,388,669	3,564,786	15,317	6,968,772

41. COMMITMENTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Capital commitments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Authorised by the board but not contracted for	**161,695**	416,600	**44,695**	-
Contracted for but not yet incurred	**865,187**	2,777,206	**-**	80,337

Capital commitments consist principally of property, plant and equipment.

Future minimum lease receivable under non-cancellable operating leases may be analysed as follows:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Within one year	**-**	7,400
After one year and before five years	**-**	10,100
Future minimum lease receivable under non-cancellable operating leases	**-**	17,500

42. SEGMENT INFORMATION

(a) **Accounting policy**

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

The group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business unit requires different technology and marketing strategies. Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included if management believes that information about these would be useful to users to better appraise financial information. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The group evaluates the performance on the basis of profit or loss from operations before tax expense. The group's customer base is highly diversified, with no individually significant customers. Other entity wide disclosures such as revenue from external customers per service/product type and extent of reliance on major customers have not disclosed due to excessive cost involved.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

42. SEGMENT INFORMATION (CONT'D)

THE GROUP	Agribusiness	Commerce & manufacturing	Real estate	Land and investments	Hospitality	Logistics	Finance & technology	Corporate office	Total
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total segment revenues	**1,225,823**	**6,990,448**	**4,359,872**	**654,640**	**5,103,480**	**3,663,458**	**1,272,855**	**199,798**	**23,470,374**
Inter-segment revenues	**(149,413)**	**(536,045)**	**(1,063,616)**	**(551,532)**	**(38,450)**	**(9,092)**	**(80,221)**	**(190,199)**	**(2,618,568)**
Revenue from external customers	**1,076,410**	**6,454,403**	**3,296,256**	**103,108**	**5,065,030**	**3,654,366**	**1,192,634**	**9,599**	**20,851,806**
(Loss)/profit before impairment loss and finance costs	**(70,068)**	**590,446**	**1,390,762**	**(186,912)**	**602,448**	**361,168**	**(29,796)**	**(72,592)**	**2,585,456**
Increase of loss allowance on financial assets	**-**	**-**	**(6,200)**	**-**	**(12,000)**	**(2,000)**	**(44,500)**	**-**	**(64,700)**
Fair value gain on financial assets at fair value through profit or loss	**-**	**-**	**-**	**(20,970)**	**-**	**-**	**-**		**(20,970)**
Fair value gain on investment properties	**-**	**19,598**	**922,419**	**7,454**	**-**	**-**	**-**	**-**	**949,471**
Exceptional items	**-**	**1,046**	**-**	**18,176**	**-**	**53,000**	**-**	**-**	**72,222**
Share of profits less losses of associated companies and jointly controlled entities, net of tax	**268,959**	**35,072**	**(47,729)**	**231,970**	**816,548**	**-**	**260,102**	**-**	**1,564,922**
Finance costs including interest expense on consumer finance business	**(17,061)**	**(131,010)**	**(832,309)**	**(387,600)**	**(151,919)**	**(69,630)**	**(51,640)**	**13**	**(1,641,156)**
Profit/(loss) before taxation	**181,830**	**515,152**	**1,426,943**	**(337,882)**	**1,255,077**	**342,538**	**134,166**	**(72,579)**	**3,445,245**
Income tax expense	**(14,543)**	**(82,555)**	**(367,479)**	**4,793**	**107,000**	**(70,000)**	**(26,000)**	**(4,975)**	**(453,759)**
Profit/(loss) for the year	**167,287**	**432,597**	**1,059,464**	**(333,089)**	**1,362,077**	**272,538**	**108,166**	**(77,554)**	**2,991,486**
Assets	**6,340,412**	**5,900,072**	**36,487,573**	**19,670,896**	**14,741,127**	**3,699,918**	**4,395,395**	**49,465**	**91,284,858**
Liabilities	**996,694**	**4,021,376**	**17,530,892**	**8,773,435**	**6,193,187**	**2,001,142**	**1,921,748**	**278,037**	**41,716,511**
Capital expenditure	**166,081**	**394,526**	**743,278**	**1,554,169**	**-**	**19,846**	**70**	**3,036**	**2,881,006**
Depreciation and amortisation	**63,090**	**152,556**	**37,790**	**705,289**	**-**	**5,658**	**56**	**1,931**	**966,370**
Material items of income and expenditure:									
Fair value gain on revaluation of investment properties	**-**	**19,598**	**922,419**	**7,454**	**-**	**-**	**-**	**-**	**949,471**
Primary Geographic markets									
Asia	**-**	**59,000**	**-**	**-**	**10,000**	**-**	**-**	**-**	**69,000**
Europe	**-**	**250,832**	**-**	**-**	**676,000**	**-**	**-**	**-**	**926,832**
Africa and others	**1,076,410**	**6,144,571**	**3,296,256**	**103,108**	**4,379,030**	**3,654,366**	**1,192,634**	**9,599**	**19,855,974**
Revenue from primary geographic markets	**1,076,410**	**6,454,403**	**3,296,256**	**103,108**	**5,065,030**	**3,654,366**	**1,192,634**	**9,599**	**20,851,806**
Contract counterparties									
Individual	**28,141**	**1,258,294**	**494,935**	**-**	**2,983,000**	**-**	**-**	**2,000**	**4,766,370**
Corporate	**1,048,269**	**5,196,109**	**2,801,321**	**103,108**	**2,082,030**	**3,654,366**	**1,192,634**	**7,599**	**16,085,436**
Revenue by contract counter parties	**1,076,410**	**6,454,403**	**3,296,256**	**103,108**	**5,065,030**	**3,654,366**	**1,192,634**	**9,599**	**20,851,806**
Timing of revenue recognition									
At a point in time	**1,076,410**	**6,367,103**	**3,296,256**	**103,108**	**5,063,330**	**3,654,366**	**330,034**	**(24,501)**	**19,866,106**
Over time	**-**	**87,300**	**-**	**-**	**1,700**	**-**	**862,600**	**34,100**	**985,700**
Revenue by timing of revenue recognition	**1,076,410**	**6,454,403**	**3,296,256**	**103,108**	**5,065,030**	**3,654,366**	**1,192,634**	**9,599**	**20,851,806**

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

42. SEGMENT INFORMATION (CONT'D)

THE GROUP (CONT'D)	Agribusiness	Commerce & manufacturing	Real estate	Land and investments	Hospitality	Logistics	Finance & technology	Corporate office	Total
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Total segment revenues	1,081,745	5,171,477	4,996,901	482,091	2,958,170	3,733,328	1,111,752	154,548	19,690,012
Inter-segment revenues	(113,873)	(267,542)	(1,016,747)	(366,212)	(38,990)	(6,645)	(62,735)	(149,379)	(2,022,123)
Revenue from external customers	967,872	4,903,935	3,980,154	115,879	2,919,180	3,726,683	1,049,017	5,169	17,667,889
(Loss)/profit before impairment loss and finance costs	(40,207)	317,987	1,474,311	(178,182)	379,449	334,362	11,627	(35,577)	2,263,770
Reversal/(increase) of loss allowance on financial assets	-	-	5,000	-	7,000	(6,000)	48,700	-	54,700
Share of profits less losses of associated companies and jointly controlled entities, net of tax	122,019	38,474	21,265	140,832	(29,196)	603	260,438	-	554,435
Finance costs including interest expense on consumer finance business	(8,795)	(73,904)	(579,181)	(271,144)	(130,838)	(53,390)	(36,920)	(47)	(1,154,219)
Profit/(loss) before taxation	73,017	282,557	921,395	(308,494)	226,415	275,575	283,845	(35,624)	1,718,686
Income tax expense	2,223	(42,491)	(100,083)	3,657	107,000	(70,000)	(24,100)	(2,778)	(126,572)
Profit/(loss) for the year	75,240	240,066	821,312	(304,837)	333,415	205,575	259,745	(38,402)	1,592,114
Assets	4,649,838	4,425,972	34,349,895	18,876,351	11,146,028	3,896,368	5,471,229	28,213	82,843,894
Liabilities	892,069	3,037,821	16,437,839	7,638,912	5,677,270	2,308,226	3,037,414	209,712	39,239,263
Capital expenditure	130,732	402,528	1,254,739	2,104,449	290	203	-	2,931	3,895,872
Depreciation and amortisation	60,700	130,658	36,813	706,143	38	103	-	1,895	936,350
Material items of income and expenditure:									
Fair value gain on revaluation of investment properties	-	12,885	643,802	395	-	-	-	-	657,082
Primary Geographic markets									
Asia	-	-	35,000	-	11,000	523,000	-	-	569,000
Europe	-	447	85,000	-	300,000	479,000	35,000	-	899,447
Africa and others	967,872	4,903,488	3,860,154	115,879	2,608,180	2,724,683	1,014,017	5,169	16,199,442
Revenue from primary geographic markets	967,872	4,903,935	3,980,154	115,879	2,919,180	3,726,683	1,049,017	5,169	17,667,889
Contract counterparties									
Individual	23,030	594,008	1,435,900	-	1,717,000	-	-	-	3,769,938
Corporate	944,842	4,309,927	2,544,254	115,879	1,202,180	3,726,683	1,049,017	5,169	13,897,951
Revenue by contract counter parties	967,872	4,903,935	3,980,154	115,879	2,919,180	3,726,683	1,049,017	5,169	17,667,889
Timing of revenue recognition									
At a point in time	831,484	4,800,035	2,869,211	115,879	2,260,580	3,726,683	1,049,017	(43,431)	15,609,458
Over time	136,388	103,900	1,110,943	-	658,600	-	-	48,600	2,058,431
Revenue by timing of revenue recognition	967,872	4,903,935	3,980,154	115,879	2,919,180	3,726,683	1,049,017	5,169	17,667,889

Operating segments are components of the group about which separate financial information is available. They are reported in a manner consistent with the internal reporting provided to the Chief Executive Officers, for both performance measuring and resource allocation. Operating segments that do not meet any of the quantitative thresholds of 10% reported revenue or profit or assets are included if management believes that information about these would be useful to users to better appraise financial information.

(b) *Product description of above segments:*
(i) Agribusiness - sugar cultivation, poultry and others.
(ii) Commerce & manufacturing - sale of motor vehicles, swimming pools and others.
(iii) Real estate - rental of offices, malls and sale of residential and commercial property.
(iv) Land and investments - investment holding.
(v) Hospitality - hotel operations and leisure activities.
(vi) Logistics - freight forwarding and transport services.
(vii) Finance & technology - credit, leasing & hire purchase businesses, global business and IT services.
(viii) Corporate Office - group service provider.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

43. RELATED PARTY DISCLOSURES

(a) THE GROUP

	Associated companies		Jointly controlled entities		Other related parties	
	2023	2022	**2023**	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Purchases of goods and services	**495,241**	69,142	**1,355**	-	**25,280**	55,800
Sale of goods and services	**328,365**	97,431	**200**	600	**7,172**	8,300
Management fee income	**2,930**	2,936	**-**	-	**-**	-
Interest expense	**-**	288	**-**	-	**-**	-
Interest income	**422**	-	**-**	-	**-**	-
Loans payable	**400**	346,300	**-**	-	**-**	-
Loans receivable	**-**	-	**99,400**	-	**-**	-
Amounts receivable	**678,202**	43,440	**-**	-	**2,829**	1,328
Amounts payable	**4,193**	13,113	**-**	36,000	**7,000**	3

(b) THE COMPANY

	Subsidiary companies		Associated companies		Other related parties	
	2023	2022	**2023**	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Rental income	**71,664**	45,895	**-**	-	**-**	-
Management fee income	**44,161**	43,104	**-**	1,850	**-**	-
Management fee expense	**115,581**	92,118	**-**	-	**-**	-
Interest expense	**381**	598	**-**	-	**-**	-
Interest income	**64,170**	57,207	**-**	-	**-**	-
Amounts receivable	**1,304,588**	1,296,187	**-**	-	**-**	341
Loans receivable	**847,000**	806,000	**-**	-	**-**	-
Amounts payable	**143,757**	34,942	**-**	-	**-**	-

(c) Outstanding amounts payable to group companies and amounts receivables from group companies at year end are unsecured and interest free, and settlement occurs in cash except for the following:

(i) Loans receivable from subsidiary company carry an interest rate of 3.10%; and

(ii) Loans payable to associated companies carry interest rate of 4.2%.

Except as disclosed in note 45, there has been no guarantee received or provided for any amounts receivable from group companies and amounts payable to group companies. For the year ended June 30, 2023, amounts receivable from group companies were impaired by Rs.14.2m (2022: Rs.13.5m). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The company's retirement benefit obligations are administered by an associate of the company.

(d) **Key management personnel compensation**

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Directors' fees	**8,998**	7,510	**5,450**	4,150
Salaries and short term employment benefits	**95,252**	64,821	**54,427**	21,169
Post- employment benefits	**2,427**	1,678	**-**	-
	106,677	74,009	**59,877**	25,319

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

44. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

(i) Year ended June 30, 2023

(a) **Subsidiary companies acquired during the year**

On November 30, 2022, a fellow subsidiary, General Cargo Services Ltd, acquired 100% of the share capital of Rongai Workshops & Transport Limited for Rs.62.9m and obtained the control of Rongai Workshops & Transport Limited. Velogic Holding Company Limited holds 98.5% in Gencargo Transport Limited, through VK Logistics Ltd, thus effectively holding 98.5% in Rongai Workshops & Transport Limited. Its principal activity is the provision of logistics, trucking and transport services within Kenya. As a result of the acquisition, the group is expected to increase its presence in the market in Kenya. It also expects to reduce costs through economies of scale. On acquisition of Rongai Workshops & Transport Limited, inventories of property, plant and equipment were performed and all identifiable assets and liabilities were recorded at their fair value and land and building were revalued by an independent valuer. These resulted in an increase in assets acquired and to a gain on bargain purchase.

(i) **Consideration**

	THE GROUP
	Rs'000
Consideration - Cash	**(28,900)**
Consideration payable*	**(35,900)**
Total consideration	**(64,800)**

* Includes consideration payable deferred until November 30, 2024 amounting to Rs.8.357 million payable in two equal instalments.

Recognised amounts of identifiable assets acquired and liabilities assumed:	THE GROUP
	Rs'000
Property, plant and equipment	**52,900**
Deferred tax assets	**300**
Inventories	**7,800**
Trade and other receivables	**38,700**
Current tax assets	**15,800**
Cash and cash equivalents	**46,700**
Trade and other payables	**(44,400)**
Total identifiable net assets	**117,800**
Gain on business acquisition	**53,000**

The fair value of the trade receivables amounts to Rs.36.1m. The gross amount of trade receivables is Rs.48.3m and it is expected that the full contractual amounts can be collected.

	THE GROUP
Net cash flow on acquisition of subsidiary	**Rs'000**
Cash consideration paid in cash	**(28,900)**
Cash and cash equivalents acquired	**46,700**
Cash inflow on acquisition net of cash and cash equivalents	**17,800**

The above acquisition will contribute to synergies and strategy of the group.

From the date of acquisition, Rongai Workshops & Transport Limited contributed Rs.255.1m of revenue and Rs.30.3m to profit before tax from continuing operations of the group. If the combination had taken place at the beginning of the year, revenue would have been Rs.388.3m and profit before tax would have been Rs.13.1m.

(b) **Subsidiary companies disposed during the year**

During the year, following restructuring of the Rogers Capital cluster, the consumer finance business, hire-purchase, loan services and insurance agent were transferred to a wholly owned subsidiary, Rogers Capital Credit Limited. The leasing business remained in Rogers Capital Finance Limited, however 51% of the shareholding of the entity, which was previously held by the group, was disposed to a new strategic partner. Effective May 9, 2023, the group lost control on RCFL, which is now considered to be an associate with Rogers holding 49% of the shareholding. The group realised a loss of Rs.15m on the transaction.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

44. ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES (CONT'D)

(ii) Year ended June 30, 2022

In 2022, the group incorporated the following subsidiaries:

	Group effective % holding	Main business
Land and investments:		
ENL Rê Limited	100.00	Investment holding
Hospitality:		
La Place du Village Limited	100.00	Training institution
Real estate:		
Savannah Land Development Ltd	100.00	Land and property developer
Savannah Smart City Limited	100.00	Rental of offices
Telfair Apartments Limited	67.00	Property
Commerce and industry:		
Suntricity Company Limited	75.00	Rental of equipment and machinery

The above subsidiary companies have been incorporated as per the Companies Act 2001.

(iii) On December 8, 2021, ENL acquired 50.1% of the shares in EES (dormant at the date of acquisition) and the business assets of Sotratech Limitee ("SL" or the "acquiree") which includes all the assets required for the operation of the business of SL, employee benefits liabilities but excluding all other liabilities of SL. Employees were also transferred as part of this transaction. EES and SL were all owned by the same shareholder at the date of acquisition. As a result, ENL was identified as the acquirer.

The above transaction has been concluded to be a single transaction altogether and falls under the requirements of IFRS 3 - Business Combinations and resulting in a goodwill calculated as follows:

The fair value of assets acquired and liabilities assumed were as follows:

	THE GROUP
	Rs'000
Assets	
Intangible assets	32,396
Liabilities	
Employee benefit liabilities	(16,473)
Net assets acquired	15,923
Cash consideration	41,000
Net assets at acquisition date	(15,923)
Non-controlling interest	7,946
Goodwill	33,023

Goodwill amounting to Rs.33m has been recognised under note 8 - 'intangible assets'.

45. CONTINGENT LIABILITIES

Contingent liabilities as at June 30, 2023 are as follows:

- A subsidiary has acted as surety in respect of a guarantee of Rs.600m (2022: Rs.275m) given by one of its subsidiaries to the Mauritius Revenue Authority.

- Some of the group's subsidiaries have pending legal matters amounting to Rs.21.80m (2022:Rs.25.0m), the outcome of which is uncertain.

- A subsidiary of the group has provided a shortfall undertaking, equivalent to six month's interest payment of approximately Rs.28m (2022:Rs.28m) to bond holder representatives on behalf of another subsidiary company.

- A subsidiary has provided a shortfall undertaking to MCB Leasing in respect of leasing facilities of Rs.0.7m contracted by one of its subsidiaries.

- Some of the group's subsidiaries had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounting to Rs.3,913m (2022:Rs.2,124m).

It is not anticipated that any material liabilities would arise out of the above as the possibility of the outflow of economic benefits is remote.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

46. CATEGORIES OF FINANCIAL INSTRUMENTS

Accounting policy

Financial assets and financial liabilities are recognised in the group's statements of financial position when the group has become a party to the contractual provisions of the instrument.

The group's accounting policies in respect of the financial instruments are described in the respective notes to the financial statements.

(a) Financial assets by category

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other financial assets at amortised costs	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
Per Statements of financial position				
At June 30, 2023				
Financial assets at fair value through other comprehensive income	**615,721**	**-**	**-**	**615,721**
Financial assets at fair value through profit or loss	**-**	**41,032**	**-**	**41,032**
Other financial assets at amortised costs	**-**	**-**	**1,865,958**	**1,865,958**
Loans and advances	**-**	**-**	**633,400**	**633,400**
Trade receivables	**-**	**-**	**2,228,035**	**2,228,035**
Cash and cash equivalents	**-**	**-**	**5,725,091**	**5,725,091**
Total financial assets	**615,721**	**41,032**	**10,452,484**	**11,109,237**
At June 30, 2022				
Financial assets at fair value through other comprehensive income	578,211	-	-	578,211
Financial assets at fair value through profit or loss	-	61,770	-	61,770
Other financial assets at amortised costs	-	-	1,540,051	1,540,051
Loans and advances	-	-	2,204,300	2,204,300
Trade receivables	-	-	2,294,353	2,294,353
Cash and cash equivalents	-	-	5,245,016	5,245,016
Total financial assets	578,211	61,770	11,283,720	11,923,701
THE COMPANY				
Per statements of financial position				
At June 30, 2023				
Financial assets at fair value through other comprehensive income	**90,613**	**-**	**-**	**90,613**
Financial assets at fair value through profit or loss	**-**	**41,032**	**-**	**41,032**
Other financial assets at amortised costs	**-**	**-**	**1,894,084**	**1,894,084**
Trade receivables	**-**	**-**	**4,363**	**4,363**
Amount receivable from group companies	**-**	**-**	**313,770**	**313,770**
Cash and cash equivalents	**-**	**-**	**637,353**	**637,353**
	90,613	**41,032**	**2,849,570**	**2,981,215**

Classification within the fair value hierarchy for the financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss is disclosed under notes 12(b) and 12(c) respectively.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

46. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial assets by category (cont'd)

THE COMPANY	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other financial assets at amortised costs	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Per statements of financial position				
At June 30, 2022				
Financial assets at fair value through other comprehensive income	106,475	-	-	106,475
Financial assets at fair value through profit or loss	-	61,770	-	61,770
Other financial assets at amortised costs	-	-	1,908,187	1,908,187
Trade receivables	-	-	3,899	3,899
Amount receivable from group companies	-	-	264,249	264,249
Cash and cash equivalents	-	-	452,566	452,566
	106,475	61,770	2,628,901	2,797,146

(b) Financial liabilities by category

THE GROUP	Financial liabilities at amortised costs	Total
Per statements of financial position	Rs'000	Rs'000
At June 30, 2023		
Borrowings	**31,775,982**	**31,775,982**
Trade and other payables	**5,574,396**	**5,574,396**
Liabilities related to contracts with customers	**1,039,517**	**1,039,517**
	38,389,895	**38,389,895**
At June 30, 2022		
Borrowings	30,937,798	30,937,798
Trade and other payables	4,903,969	4,903,969
Liabilities related to contracts with customers	1,000,414	1,000,414
	36,842,181	36,842,181
THE COMPANY		
Per statements of financial position		
At June 30, 2023		
Borrowings	**8,048,738**	**8,048,738**
Trade and other payables	**94,190**	**94,190**
Liabilities related to contracts with customers	**10,921**	**10,921**
Amounts payable to group companies	**143,757**	**143,757**
	8,297,606	**8,297,606**
At June 30, 2022		
Borrowings	6,968,772	6,968,772
Trade and other payables	56,935	56,935
Liabilities related to contracts with customers	33,980	33,980
Amounts payable to group companies	34,942	34,942
	7,094,629	7,094,629

The fair value of financial instruments at amortised cost are not materially different from their carrying amount.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

47. FINANCIAL SUMMARY

(a) THE GROUP		2023 Rs'000	2022 Rs'000
Statements of profit or loss and other comprehensive income			
Continuing operations			
Revenue		**20,851,806**	17,816,089
Profit before taxation		**3,445,245**	1,729,686
Income tax expense		**(453,759)**	(128,472)
Profit for the year		**2,991,486**	1,601,214
Post tax profit from discontinued operations		**11,300**	24,600
Other comprehensive income for the year		**3,594,349**	1,938,874
Total comprehensive income for the year		**6,597,135**	3,564,688
Profit attributable to:			
Owners of the company		**1,705,340**	829,477
Non-controlling shareholders		**1,293,504**	784,451
		2,998,844	1,613,928
Total comprehensive income attributable to:			
Owners of the company		**4,064,172**	2,398,959
Non-controlling shareholders		**2,532,963**	1,165,729
		6,597,135	3,564,688
Dividend per share			
-Interim	Rs.	**0.50**	0.35
- Final	Rs.	**0.50**	0.45
Earnings per share	Rs.	**4.55**	2.21

	2023 Rs'000	2022 Rs'000
Statements of financial position		
ASSETS		
Non-current assets	**76,326,255**	69,014,735
Current assets	**14,958,603**	13,829,159
Total assets	**91,284,858**	82,843,894
EQUITY AND LIABILITIES		
Capital and reserves	**32,022,519**	28,613,754
Non-controlling interests	**17,545,828**	14,990,877
Total equity	**49,568,347**	43,604,631
LIABILITIES		
Non-current liabilities	**29,729,364**	26,619,694
Current liabilities	**11,987,147**	12,619,569
Total equity and liabilities	**91,284,858**	82,843,894

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

47. FINANCIAL SUMMARY (CONT'D)

(b) THE COMPANY

		2023	2022
		Rs'000	Rs'000
Statements of profit or loss and other comprehensive income			
Revenue		452,897	349,919
Profit before taxation		853,574	383,620
Income tax expense		(5,060)	(2,523)
Profit for the year		848,514	381,097
Other comprehensive income for the year		3,995,717	5,048,796
Total comprehensive income for the year		4,844,231	5,429,893
Dividend per share			
-Interim	Rs.	0.50	0.35
- Final	Rs.	0.50	0.45
Earnings per share	Rs.	2.26	1.02

	2023	2022
Statements of financial position	Rs'000	Rs'000
ASSETS		
Non-current assets	42,009,508	36,530,180
Current assets	1,052,784	852,853
Total assets	43,062,292	37,383,033
EQUITY AND LIABILITIES		
Capital and reserves	34,211,926	29,761,320
LIABILITIES		
Non-current liabilities	6,662,229	6,636,898
Current liabilities	2,188,137	984,815
Total equity and liabilities	43,062,292	37,383,033

48. ULTIMATE HOLDING COMPANY

The holding company of ENL Limited is La Sablonnière Holding Limited, incorporated in Mauritius and its registered office is at ENL House, Vivéa Business Park, Moka. The ultimate holding entity of ENL Limited is Société Caredas, a 'société civile' registered in Mauritius.

49. DISCONTINUED OPERATIONS

Year ended June 30, 2023

Rogers Capital Finance Ltd ("RCFL"), a wholly owned subsidiary, has a solid consumer finance and leasing reputation. On April 30, 2023, the group disposed 51% of the shares in Rogers Capital Finance Limited to a related party - Swan Wealth Management Ltd. As a result of the sale, the group lost control over Rogers Capital Finance Limited and retained a 49% equity interest in the latter. The group has accounted for the retained interest of 49% as an investment in associate since it has determined that it has significant influence.

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

49. DISCONTINUED OPERATIONS (CONT'D)

(i) **Year ended June 30, 2023 (cont'd)**

(a) Income or expenses recognised in the statements of profit or loss are as detailed below:

		RCFL	RCFL
THE GROUP		2023	2022
		Rs'000	Rs'000
Revenue from contracts with customers		173,000	148,200
Revenue		173,000	148,200
Cost of sales*		(67,300)	(71,100)
Gross Profit		105,700	77,100
Administrative expenses		(94,000)	(65,400)
Impairment of impairment on subsidiaries and associated company		(400)	(700)
Profit from finance costs and other gains and losses		11,300	11,000
Finance costs		-	-
Profit before other gains and losses		11,300	11,000
Profit on disposal of group entities and other financial assets		-	-
Profit before taxation		11,300	11,000
Taxation		-	(1,900)
Profit for the year		11,300	9,100
* Including interest expense - consumer finance business			
Attributable to:			
Owners of the parent		6,600	5,300
Non-controlling interests		4,700	3,800
Profit for the year		11,300	9,100
Basic earnings per share from discontinued operations:			
Profit attributable to the owners of the parent		6,600	5,300
Number of shares in issue		374,996,326	374,996,326
Earnings per share	Rs.	0.02	0.01
Diluted earnings per share from discontinued operations:			
Profit attributable to the owners of the parent		6,600	5,300
Number of shares in issue		374,996,326	374,996,326
Earnings per share	Rs.	0.018	0.014

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

49. DISCONTINUED OPERATIONS (CONT'D)

(i) **Year ended June 30, 2023 (cont'd)**

(b) Following the deconsolidation of RCFL, the net assets and liabilities deconsolidated are as detailed below:

	2023
ASSETS	**Rs'000**
Non current assets	
Property, plant and equipment (inclusive of rights of use assets)	103,700
Intangible assets	23,700
Loans and advances	1,918,700
Deferred tax	44,100
Current assets	
Trade receivables	6,900
Financial assets at amortised costs	474,200
Bank balances and cash	65,700
Non current liabilities	
Borrowings	(739,200)
Retirement benefit obligation	(200)
Current liabilities	
Borrowings	(1,364,900)
Trade and other payables	(217,900)
Net assets disposed	314,800

(c) Gain on disposal of RCFL:

	2023
	Rs'000
Consideration received for 51% of the shares in RCFL	160,500
Fair value of remaining 49% - accounted as investment in associated company	154,300
	314,800
Net asset disposed	(314,800)
Gain on disposal of subsidiary	-

(d) Net cash inflow on disposal of subsidiary by RCFL:

	2023
	Rs'000
Cash consideration received in cash and cash equivalent	160,500
Less cash and cash equivalents disposed of:	
Bank balances and cash	(65,700)
Bank overdraft	31,800
	126,600

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

49. DISCONTINUED OPERATIONS (CONT'D)

(i) **Year ended June 30, 2023 (cont'd)**

(e) The net cash flows incurred by RCFL are:

	2023
	Rs'000
Operating activities	(316,700)
Investing activities	(3,000)
Financing activities	388,900
Net cash inflow	69,200

(ii) Year ended June 30, 2022

In May 2022, the group disposed 70% of its wholly owned subsidiary, Rogers International Distribution Services S.A.S ('RIDS France'), and its results are being presented as discontinued operations. RIDS France has a solid reputation in the textile sector and treats with the large buying houses. In order to maintain its competitive position in a market that depends on aggressive pricing, a strategic partnership has been made to derive economies of scale and lower operational costs.

(f) Income or expenses recognised in the statements of profit or loss are as detailed below:

	RIDS France
THE GROUP	2022
	Rs'000
Revenue from contracts with customers	968,100
Revenue	968,100
Cost of sales*	(851,700)
Gross Profit	116,400
Administrative expenses	(108,700)
Impairment losses on financial assets of subsidiaries and associated company	(2,400)
Profit from finance costs and other gains and losses	5,300
Finance costs	(2,600)
Profit before other gains and losses	2,700
Profit on disposal of group entities and other financial assets	21,900
Profit for the year	24,600

* Including interest expense - consumer finance business

Attributable to:	
Owners of the parent	19,931
Non-controlling interests	4,669
Profit for the year	24,600
Basic earnings per share from discontinued operations:	
Profit attributable to the owners of the parent	19,900
Adjustments for other gains and losses attributable to owners of the parent	31
Profit attributable to the owners of the parent before other gains and losses	19,931
Number of shares in issue	374,996,326
Earnings per share	0.05
Earnings per share (excluding other gains and losses)	0.05

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

49. DISCONTINUED OPERATIONS (CONT'D)

(ii) Year ended June 30, 2022 (cont'd)

Diluted earnings per share from discontinued operations:

Profit attributable to the owners of the parent	16,300
Adjustments for other gains and losses attributable to owners of the parent	(14,500)
Profit attributable to the owners of the parent before other gains and losses	1,800
Number of shares in issue	374,996,326
Earnings per share	0.04
Earnings per share (excluding other gains and losses)	0.01

(b) Following the deconsolidation of RIDS France, the net assets and liabilities deconsolidated are as detailed below:

	2022
ASSETS	Rs'000
Non current assets	
Property, plant and equipment (inclusive of rights of use assets)	9,000
Current assets	
Contract assets	2,000
Trade receivables	131,200
Financial assets at amortised costs	20,000
Bank balances and cash	32,100
Other assets	12,300
Non current liabilities	
Borrowings	(6,300)
Current liabilities	
Borrowings	(300)
Trade and other payables	(183,700)
Net assets disposed	16,300

(c) Gain on disposal of RIDS France:

	2022
	Rs'000
Consideration received for 70% of the shares of RIDS France	19,500
Fair value of remaining 30% - accounted as investment in associated company	8,400
	27,900
Net asset disposed	(16,300)
Release of translation reserves	10,300
Gain on disposal of subsidiary	21,900

The gain on disposal is included in the profit or loss for the year from discontinued operations in the statement of profit or loss.

(d) Net cash outflow on disposal of subsidiary by RIDS France:

	2022
	Rs'000
Cash consideration received in cash and cash equivalent	19,500
Less cash and cash equivalents disposed of:	
Bank balances and cash	(32,100)
Bank overdraft	100
	(12,500)

Notes to the Financial Statements

YEAR ENDED JUNE 30, 2023

49. DISCONTINUED OPERATIONS (CONT'D)

(ii) Year ended June 30, 2022 (cont'd)

(e) The net cash flows incurred by RIDS France are:

	2022
	Rs'000
Operating activities	8,100
Investing activities	(14,200)
Financing activities	(2,200)
Net cash outflow	(8,300)

50. GOING CONCERN

The group and the company have generated a profit of Rs.3bn and Rs.0.85bn respectively for the year ended June 30, 2023 (2022: Rs.1.6bn for the group and Rs.0.4bn for the company). As of that date, the group and the company have positive net assets of Rs.49.6bn and Rs.34.2bn respectively (2022: Rs.43.6bn for the group and Rs.29.8bn for the company).

At June 30, 2023, the company's current liabilities exceeded its current assets. The excess current liabilities position is mitigated by unutilised banking and other financing facilities available to the company.

Based on this evaluation, the directors have made an assessment of the company's ability to continue as a going concern taking into account all available information about the future, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt in the company's ability to continue as a going concern.

51. EVENTS AFTER THE REPORTING DATE

(a) On July 1, 2023, Rogers Hospitality Operations Ltd, a subsidiary company, amalgamated with its wholly-owned subsidiaries companies, namely CCC LAH Limited, Seafood Basket Limited, Cap D'Abondance Ltd, Hotels Operations Company Ltd, Restaurants Operations Company Ltd and Seven Colours Spa Ltd, with the surviving company being Rogers Hospitality Operations Ltd. The transaction has no impact on the group.

(b) On September 8, 2023, a severe earthquake hit Morocco. The epicentre was about 70 kms in the south of Marrakech. There has been no material damage to Royal Palm Marrakech hotel, held by the group's associates - New Mauritius Hotels Limited, which has been remaining operational post-earthquake. Experts have been hired to conduct a thorough assessment of the damage, oversee the repair works and facilitate the process of insurance claims. No material financial losses are expected since the hotel is adequately covered for structural damage and business profits. There have been booking cancellations immediately after the earthquake of an estimated revenue of Rs.65m. On the other hand, bookings for December's price have started to pick-up. As at board date, management is still monitoring and assessing the potential impact.

(c) Following changes brought to the Finance (Miscellaneous Provisions) Act 2022 amended The Workers' Rights Act 2019 in July 2023, when computing gratuity on retirement for employees working 5-day week, the group is assessing the potential impact.

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Secretary
ENL Secretarial Services Limited
ENL House
Vivéa Business Park
Moka
Telephone: (230) 404 9500
Fax: (230) 404 9565

Share Registry
DTOS Registry Services Ltd
3rd Floor, Eagle House
15A Wall Street
Ebène
Tel: (230) 404 6000
Email: Dtos-Registry@dtos-mu.com

Auditors
Ernst & Young

Bankers
AfrAsia Bank Limited
Absa Bank (Mauritius) Limited
Bank One Ltd
SBI (Mauritius) Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Limited

Legal Advisors
ENSafrica (Mauritius)
Benoit Chambers
De Speville-Desvaux

Notaries
Me Bernard d'Hotman de Villiers
Me Jean Pierre Montocchio

ENL Limited
ENL House | Vivéa Business Park | Moka | Mauritius
T. +230 404 9500 | F. +230 404 9565
investors@enl.mu | www.enl.mu
BRN C06004687 | VAT 20045771

Dear Shareholder,

We are pleased to invite you to the Annual Meeting of Shareholders ENL Limited ("ENL" or "the Company") which will be held on Friday 15 December 2023 9.00 a.m. at ENL House, Vivéa Business Park, Moka.

The Agenda items of the Meeting are set out in the enclosed Notice of Meeting. The enclosed **Proxy/Postal Vote Form** allows you to either appoint a proxy to vote on your behalf or you may choose to cast a postal vote. Please complete and return the Proxy/Postal Vote Form as indicated.

As per Practice Direction (No. 2 of 2022) (the "Practice Direction") issued by the Registrar of Companies pursuant to Section 12(8) of the Companies Act 2001, relating to the sending of Annual reports and Financial Statements, a copy of the annual report *"may be in any electronic version and may be sent by any electronic means".*

In compliance with the Practice Direction, we invite you to access the Integrated Annual Report Report 2023 of the Company by scanning the below QR Code or through the weblink: www.enl.mu/investors/integratedreport

Kindly also note that you retain the right to receive a copy of the Integrated Annual 2023 at any time upon request made to the Company Secretary at the following address or by email and same will be posted and/or emailed to you:

ENL Secretarial Services Limited
ENL House, Vivéa Business Park
Moka
Mauritius
Email: enlcosec@enl.mu

We look forward to seeing you at the Annual Meeting.

By order of the Board

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

11 October 2023

Notice of Meeting

Notice is hereby given that an Annual Meeting of shareholders of ENL Limited will be held at ENL House, Vivéa Business Park, Moka, on **15 December 2023** at **9.00 a.m.**, to transact the following business:

1. To consider the Annual Report for the year ended 30 June 2023.
2. To receive the report of the auditors of the Company.
3. To consider and approve the audited financial statements of the Company for the year ended 30 June 2023.

   Ordinary Resolution I.

   "Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved."

4. To elect Mr Jean-Pierre Montocchio, who retires by rotation in accordance with Section 21.6 of the Company's constitution and, being re-eligible, offers himself for re-election.

   Ordinary Resolution II.

   "Resolved that Mr Jean-Pierre Montocchio be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution."

5. To re-elect Mr Philippe Espitalier-Noël, who has been appointed by the Board, as Director of the Company in accordance with Section 21.3 of the Company's constitution.

   Ordinary Resolution III.

   "Resolved that Mr Philippe Espitalier-Noël be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution."

6. To re-elect Mr Olivier Brousse de Laborde, who has been appointed by the Board, as Director of the Company in accordance with Section 21.3 of the Company's constitution.

   Ordinary Resolution IV.

   "Resolved that Mr Olivier Brousse de Laborde be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution."

7. To re-elect Ms Pauline Seeyave, who has been appointed by the Board, as Director of the Company in accordance with Section 21.3 of the Company's constitution.

   Ordinary Resolution V.

   "Resolved that Ms Pauline Seeyave be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution."

8. To re-elect Mrs Keshwaree (Nashenta) Zindel, who has been appointed by the Board, as Director of the Company in accordance with Section 21.3 of the Company's constitution.

   Ordinary Resolution VI.

   "Resolved that Mrs Keshwaree Zindel be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution."

9. To take note of the automatic reappointment of Ernst & Young as auditors for the year ending 30 June 2024 under Section 200 of The Companies Act 2001 and to authorise the Board to fix their remuneration.

   Ordinary Resolution VII.

   "Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001."

Note: The profiles and categories of the directors proposed for re-election are set out on pages 82 to 85 of the Annual Report 2023.

By order of the Board

Preety Gopaul, ACG
For ENL Secretarial Services Limited
Company Secretary

Date: 11 October 2023

NOTES

- *A shareholder of the Company entitled to attend and vote at this meeting may:*
  - *Either appoint a proxy (in the case of an individual shareholder) or a representative (in the case of a corporate shareholder and by way of a corporate resolution), whether a shareholder or not, to attend and vote on his/her behalf. Any such appointment must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than twenty-four (24) hours before the meeting is due to take place.*
  - *Or cast its vote by post. The notice for casting a postal vote must be made in writing on the attached form, and the document deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than forty-eight (48) hours before the time fixed for holding the meeting.*
- *For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 16 November 2023.*
- *The Annual Meeting of shareholders is an important day in the calendar as it enables the Board to engage with its shareholders on a range of matters concerning the business of the meeting. In addition, it provides a valuable forum for shareholders to ask questions. If it becomes necessary or appropriate to make further changes to the arrangements for the holding of the Annual Meeting, we will ensure that shareholders are given as much notice as possible. Please watch our website for any update or contact our Share Registry on + 230 404 6000.*
- *Shareholders are encouraged to exercise their right to vote at the Annual Meeting by casting a postal vote (as enclosed). The postal vote form can also be downloaded from the website of the Company.*
- *A copy of the Integrated Annual Report is available for inspection between 9.00 a.m. and 5.00 p.m. on working days at the registered office of the Company, ENL House, Vivéa Business Park, Moka, Mauritius.*

FOR INDIVIDUAL SHAREHOLDER

Proxy Form*

I/We

(name of natural shareholder/s)

of

(address of natural shareholder/s)

being a shareholder/s of **ENL LIMITED** (the Company), hereby appoint

(name of proxy)

of

(address of proxy)

or failing him/her

(name of proxy)

of

(address of proxy)

as my/our proxy to vote for me/us at the Annual Meeting of the Company to be held at ENL House, Vivéa Business Park, Moka on **15 December 2023** commencing at **09.00 a.m**. and at any adjournment thereof. I/We direct my/our proxy to vote in the following manner:

Postal vote Form*

I/We

(name of natural shareholder/s)

of

(address of natural shareholder/s)

being a shareholder/s of **ENL LIMITED** (the Company), entitled to attend the Annual Meeting of the Company to be held at ENL House, Vivéa Business Park, Moka on **15 December 2023** commencing at **09.00 a.m.** and at any adjournment thereof, cast my votes on the proposed resolutions in the following manner:

RESOLUTIONS

(Please indicate with an X in the spaces below how you wish your votes to be cast)

	Ordinary Resolutions	For	Against	Abstain
I.	Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved.			
II.	Resolved that Mr Jean-Pierre Montocchio be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.			
III.	Resolved that Mr Philippe Espitalier-Noël be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
IV.	Resolved that Mr Olivier Brousse de Laborde be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
V.	Resolved that Ms Pauline Seeyave be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
VI.	Resolved that Mrs Keshwaree Zindel be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
VII.	Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001.			

Signed this ______ day of ______ 2023

Sign here X

Name:

Sign here X

Name:

***PLEASE FILL IN EITHER THE PROXY FORM OR THE POSTAL VOTE FORM, BUT NOT BOTH**

NOTES

1. *A shareholder of the Company entitled to attend and vote at this meeting may **either** appoint a proxy, whether a shareholder **or** not, to attend and vote on his/her behalf **or** cast his vote by post.*
2. *Appointment of Proxy:*
   - *(a) If the form is used as a **Proxy Form**, to be valid, it must be completed and deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than 24 hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) A shareholder may appoint a proxy of his/her own choice. Insert the name of the person appointed as proxy in the space provided.*
   - *(c) If this **Proxy Form** is returned, duly signed, without any indication of proxy, the shareholder will be deemed to have authorised the Company Secretary to designate any person including the Chairman of the Meeting as proxy.*
   - *(d) If this **Proxy Form** is returned without any indication as to how the person appointed proxy shall vote, the person appointed proxy will exercise his/her discretion as to how he/she votes or whether he abstains from voting.*
3. *Postal Vote Form:*
   - *(a) If the form is used as a **Postal Vote Form**, to be valid, it must be completed, signed and deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than **48** hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) This **Postal Vote Form** must be signed by the shareholder or his/her attorney duly authorised in writing.*
   - *(c) If this **Postal Vote Form** is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*
   - *(d) If this **Postal Vote Form** is signed by an attorney of a shareholder, a certificate of non-revocation of the power of attorney must be attached, together with a copy of the power of attorney unless it has previously been produced to the Company.*
4. *Joint Shareholding:*
   - *(a) In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.*
   - *(b) However, in case one or more proxy/postal vote form is received from the joint holders, the proxy/postal vote form received from the shareholder whose name appear first on the register will be considered.*

Form of appointment of representative By Body Corporate*

I/We the undersigned being duly authorised to sign this form on behalf of

(name of Body Corporate)

of

(address of Body Corporate

being the duly authorised shareholder of **ENL LIMITED** (the Company), hereby appoint

(name of representative)

of

(address of representative)

or failing him/her

(name of representative)

of

(address of representative)

as representative to vote for the Body Corporate at the Annual Meeting of the Company to be held at ENL House, Vivéa Business Park, Moka on **15 December 2023** commencing at **09.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote in the following manner:

Postal vote form By Body Corporate*

I/We the undersigned being duly authorised to sign this form on behalf of

(name of Body Corporate)

of

(address of Body Corporate

being the duly authorised shareholder/s of **ENL LIMITED** (the Company), entitled to attend the Annual Meeting of the Company to be held at ENL House, Vivéa Business Park, Moka on **15 December 2023** commencing at **09.00 a.m.** and at any adjournment thereof, cast my votes on the proposed resolutions in the following manner:

RESOLUTIONS

(Please indicate with an X in the spaces below how you wish your votes to be cast)

Ordinary Resolutions		For	Against	Abstain
I.	Resolved that the audited financial statements of the Company for the year ended 30 June 2023 be hereby approved.			
II.	Resolved that Mr Jean-Pierre Montocchio be hereby re-elected as Director of the Company in accordance with Section 21.6 of the Company's constitution.			
III.	Resolved that Mr Philippe Espitalier-Noël be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
IV.	Resolved that Mr Olivier Brousse de Laborde be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
V.	Resolved that Ms Pauline Seeyave be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
VI.	Resolved that Mrs Keshwaree Zindel be hereby re-elected as Director of the Company in accordance with Section 21.3 of the Company's constitution.			
VII.	Resolved that the Board of Directors be authorised to fix the remuneration of Ernst & Young who are being automatically appointed as auditors of the Company under Section 200 of The Companies Act 2001.			

Signed this ____ day of ____ 2023 by

Sign here X

Name:

Sign here X

Name:

Affix body corporate seal here

who warrant that he/she is/they are duly mandated and authorised to sign the present form

PLEASE FILL IN EITHER THE FORM OF APPOINTMENT OF REPRESENTATIVE BY BODY CORPORATE OR THE POSTAL VOTE FORM BY BODY CORPORATE, BUT NOT BOTH

NOTES

1. *A body corporate who is a shareholder of the Company entitled to attend and vote at this meeting may **either** appoint a representative to attend and vote on its behalf **or** may cast its vote by post.*
2. *Appointment of Representative:*
   - *(a) If the form is used as a **Form of Appointment of Representative**, to be valid, it must be completed and deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than **24** hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) A body corporate, who is a shareholder, may appoint a representative of its own choice. Insert the name of the person appointed as representative in the space provided.*
   - *(c) Where the appointor is a body corporate, this **Form of Appointment of Representative** must be under its common seal and under the hand of the officer/s or attorney duly authorised.*
   - *(d) If this **Form of Appointment of Representative** is returned, duly signed, without any indication of representative, the shareholder will be deemed to have authorised the Company Secretary to designate any person including the Chairman of the Meeting as proxy.*
   - *(e) If this **Form of Appointment of Representative** is returned without any indication as to how the person appointed representative shall vote, he/she will exercise his discretion as to how he/she votes or whether he abstains from voting.*
3. *Postal Vote Form:*
   - *(a) If the form is used as a **Postal Vote Form**, to be valid, it must be completed, signed and deposited at the Share Registry and Transfer Office of the Company, DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius, not less than **48** hours before the time fixed for holding the meeting or adjourned meeting.*
   - *(b) This **Postal Vote Form** must be under the body corporate's common seal and under the hand of the officer/s or attorney duly authorised.*
   - *(c) If this **Postal Vote Form** is returned without any indication of vote in respect of a resolution, the shareholder shall be deemed to have abstained on such resolution.*
4. *Joint Shareholding:*
   - *(a) In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.*
   - *(b) However, in case one or more Form of Appointment of Representative/Postal Vote Form is received from the joint holders, the Form of Appointment of Representative/Postal Vote Form received from the shareholder whose name appear first on the register will be considered.*

Digital Shareholder Consent Form

E-communications to Shareholders

In line with our commitment to sustainability and a greener environment, ENL Limited (referred to as 'ENL' or 'the Company') is pleased to offer our valued shareholders the option to receive our communications electronically via email. This includes various documents of a circular nature, such as annual reports, financial statements, meeting notices, credit advisories, and other important shareholder documents and communications.

Additionally, we would also like to take this opportunity to request your consent for receiving marketing communications consistent with our data protection strategy at ENL. You can provide your consent through the shareholder consent form below or scan the QR Code.

My **name** is ....

Name of shareholder (primary shareholder as per register of shareholders in case of joint shareholding)

....

My National Identity Card Number (for individuals) *Business Registration Number (for corporate bodies)*

and I agree to receive all shareholder communications from ENL Limited on

E-mail address ....

and **my contact numbers** are

(Home/office): .... (Mobile): ....

Shareholder's consent in respect of marketing communications

Please tick the box below if you are agreeable.

You may consult ENL's Privacy Policy on www.enl.mu/en/enl-privacy-policy for further information on how we process your personal data.

I agree to receive e-communications, promotional offers and updates from companies within the ENL Group.

☐ Yes, count me in.

☐ No, miss me out.

Signature: .... Date: ....

First name*: ....

Last name*: .... NIC/passport*: ....

**for authorised signatory/ries of corporate bodies who warrant/s being duly authorised hereto*

Please fill in and return to: DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène, Mauritius

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You, the above-named shareholder, agree to receive electronic communications herein subject to the terms below:

Upon receipt by ENL Limited ('ENL' or 'the Company') of this shareholder consent form duly signed by you, it is hereby understood and agreed by you that:

- You agree to receive by e-mail at the above e-mail address, notices of meetings, annual reports, financial statements and other shareholder documents communications from ENL, as well as e-mail notifications if any from ENL advising you that documents of a circular nature (such as annual reports and accounts) have been posted on the Company's website.
- The issuance of paper notice of meetings, annual reports, accounts and other shareholder documents, shall be discontinued. However, in particular circumstances, ENL reserves the right to send documents or other information to its shareholders in hard copy rather than by e-mail.
- ENL shall not be held responsible for any failure in transmission beyond its control.
- The current instruction shall remain valid until written revocation is duly notified by you (or your duly authorised agent acting on your behalf) to DTOS Registry Services Ltd, 3rd Floor, Eagle House, 15A Wall Street, Ebène.
- Although ENL takes reasonable precautions for safe transmission of any communication it sends out electronically, ENL shall not be liable for any loss or damage arising from any electronic communications from ENL and/or its service providers.
- ENL values your privacy and commits to process your personal data in accordance with applicable laws in force. Our privacy policy can be consulted on our website www.enl.mu/en/enl-privacy-policy
- You may withdraw your consent to marketing communications at any time by contacting our Data Protection Officer on dataprotectionofficer@enl.mu or by using the unsubscribe link in the emails.
- It is your responsibility to inform ENL in writing of any changes to your e-mail address and/or contact details.
- You shall hold ENL and/or its agents harmless against any liability arising from your present instructions and execution thereof.

ENL Limited
ENL House | Vivéa Business Park | Moka | Mauritius
T. +230 404 9500 | F. +230 404 9565
investors@enl.mu | www.enl.mu

Go paperless

Scan the QR code below to receive your communications electronically.