Integrated Report 2020

Getting through this together

It has been a difficult few months for the IBL Group and our teams, marked by events such as an unprecedented global health crisis, Mauritius' inclusion on the European Union's financial blacklist, and the Wakashio oil spill. The Covid-19 pandemic in particular has forced us to adapt to new ways of working and delivering on our strategy while navigating a deeply uncertain and fast-evolving context.

Our teams have shown extraordinary dedication and flexibility in rising to these challenges, allowing us to manage their impact on our operations. As a group, we are deeply proud of and grateful for their efforts.

The road ahead is likely to be a challenging one. Yet thanks to the strength and resilience of our group and of our people, we will get through this, together.

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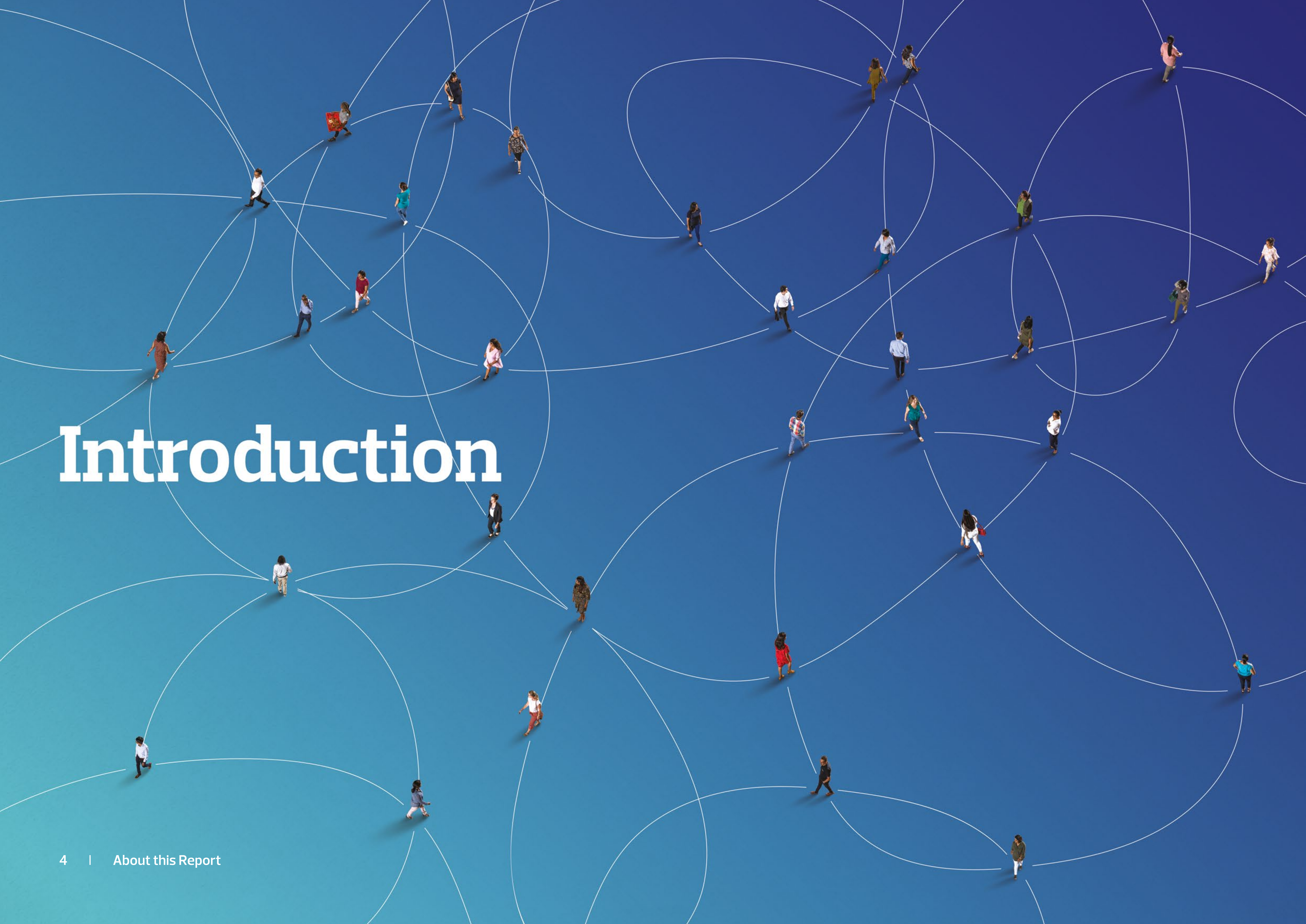
Introduction



About this Report

REPORTING PERIOD AND SCOPE

This integrated report presents material information about IBL Ltd ("IBL")'s strategy, business model, risks, macroeconomic context, stakeholder interests, operational performance and governance for the financial year ended 30 June 2020 (FY2020).

IBL's response to Covid-19 is discussed throughout the report and is not confined to the timeframe above. We have indicated where the group's Covid-19-related initiatives and actions had a financial impact on our performance for FY2020.

REPORTING PRINCIPLES

The financial statements within this report comply with the standards set out in the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They have been prepared in accordance with International Financial Reporting Standards and have been externally assured. The external auditor's report is available on p. 176.

This report complies with the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework and, for the first time, has been prepared in accordance with the GRI Standards: Core option. IBL has also begun to identify how our business impacts and is driven by the United Nations Sustainable Development Goals (SDGs), as shown opposite.

MATERIALITY

In line with International Financial Reporting Standards, we consider information to be material when its omission or misstatement could influence our stakeholders' financial decision-making.

We also applied the GRI's four reporting principles (Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness) to the IBL Group's activities to define the content included in IBL's sustainability report. This materiality process is outlined on p. 366.

FORWARD-LOOKING STATEMENTS

This report contains certain assumptions and projections relating to IBL's strategy, operational results, the future demand for our products and services, and the macro-economic context that we operate in. These forecasts are based on information currently available and on the beliefs of the group's management. Actual results may differ from those described in these statements due to unexpected risks, uncertainties and other factors, many of which are beyond our control. Readers are therefore advised to use caution when interpreting these forward-looking statements.

GOING DIGITAL

This year, as a result of the Covid-19 pandemic, we have exceptionally been authorised to send our annual report to our stakeholders in a digital format. It's likely that this will change next year. By choosing to receive a digital version of our annual report in the future, you'll help IBL reduce our carbon footprint and use fewer resources for printing and postage, in line with our sustainability strategy. You'll also have access to more detailed and interactive content online via our annual report microsite. To register, please send a message to IBLcosec@iblgroup.com

The electronic version of this report and of reports for previous financial years are available online at www.iblgroup.com

WE VALUE YOUR FEEDBACK

We want this report to be as helpful to our stakeholders as possible, and would welcome your feedback on it. Please send comments or questions to IBLCommunication@iblgroup.com

How we align with the SDGs

SUSTAINABLE DEVELOPMENT GOALS

IBL's vision is to shape a brighter world. We believe that we can make this vision a reality by helping to achieve the 17 SDGs identified by the United Nations. While IBL's activities contribute to all 17 SDGs, we have identified four priority SDGs on which our group and Operations have the greatest impact.

SDG icons are used throughout the report to indicate actions that support individual goals. The table on p. 366 cross-references relevant GRI indicators and SDGs and indicates where to find information about them.

SDGs on which IBL has the greatest impact

Goals linked to our priority SDGs

SDGs on which IBL has the least impact

IBL supports the SDGs

IBL has also been a Participant in the UN Global Compact since 2017 and is a Founding member of the Global Compact Local Network (Mauritius).

Icons used in this report

Capitals

- Human capital
- Social and relationship capital
- Natural capital
- Financial capital
- Intellectual capital
- Manufactured capital

Stakeholders

- IBL team members
- Group entities (as per IBL Corporate Centre Clients)
- Clients and customers
- Communities, NGOs, vulnerable populations and families
- Investors and shareholders
- Government and regulatory and institutional bodies
- Suppliers

Strategic pillars

- Strengthening IBL's Mauritian core
- Regional expansion into the Indian Ocean & East Africa
- International expansion anchored in world-class professional expertise

Growth enablers

- Human Capital strategy
- Digital Transformation strategy
- Sustainability strategy

Main risks

1 Tourism performance
2 Pandemic
3 FATF watchlist
4 Foreign currencies
5 Government policies
6 Industry performance
7 Forex fluctuations
8 Sugar cluster performance
9 Market concentration
10 Sustainability of tuna stocks
11 Property sales performance
12 Climate change
13 Volatility of commodity prices
14 Cybersecurity threats
15 Technology efficiency

Other icons

- Cross-referencing
- Reading time
- Website
- Audio hightlights on the website

Who We Are

At a Glance

A major regional player

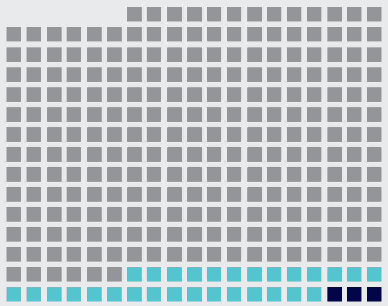
10 Clusters

- Agro & Energy
- Building & Engineering
- Commercial & Distribution
- Financial Services
- Hospitality & Services
- Life & Technologies
- Logistics
- Seafood
- Property
- CSR

Companies

279 companies

- **247** Subsidiaries
- **29** Associates
- **3** Joint ventures



7 Listed companies (including IBL Ltd)

3 Companies listed on the SEM Sustainability Index

Financial highlights

Group revenue (Rs)

36,81bn

39,05bn (2018-2019)

Group (loss)/profit before tax (Rs)

(1,27)bn

1,76bn (2018-2019)

Group (loss)/profit after tax (Rs)

(1,43)bn

1,30bn (2018-2019)

Market capitalisation (Rs)

33,33bn

36,73bn (2018-2019)

A group that puts its people first

Team members across the Group*

25,205

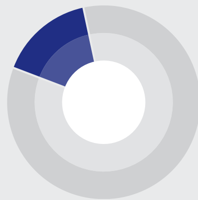
67% men (16,870)

33% women (8,335)

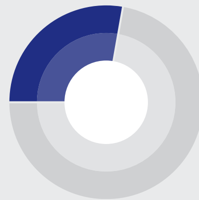
Shareholders

12,563

Women make up*



16% of executives



28% of managers

Investment in training and development** (Rs)

32m

Investment in safety and health** (Rs)

32.5m

**IBL Operations, subsidiaries, associates and joint ventures*
***IBL Operations and Corporate Centre*

A responsible business

Participation

Committed to the **UN Global Compact** since 2017

Active involvement in the **Assises de l'Environnement 2019**

Taxes, Duties & Levies (Rs)

4.385bn

Covid-19 testing centres set up

2

International Presence

IBL IS PRESENT IN 19 COUNTRIES

Group Structure

IBL TOGETHER

Agro & Energy

IBL Energy	100%	S
Alteo	27.64%	A

Building & Engineering

Manser Saxon	99.7%	S
CNOI	63.83%	S
UBP	33.14%	S

Commercial & Distribution

BrandActiv	100%	O
HealthActiv	100%	O
Blychem	100%	S
CMH	100%	S
Intergraph	100%	S
Scomat	100%	S
Winner's	100%	S
Phoenix Bev	23.28%	S

Financial Services

DTOS	100%	S
LCF Securities	77%	S
Eagle Insurance	60%	S
The Bee Equity Partners	34.95%	S
City Brokers	50%	JV
EllGeo Re	33.33%	A
AfrAsia Bank	30.29%	A

Hospitality & Services

Arcadia Travel	100%	S
Alentaris	75.51%	S
Lux Island Resorts	56.47%	S
The Lux Collective	49.60%	S

Life & Technologies

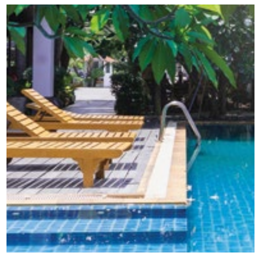
IBL Life	100%	S
IBL Link	100%	S
CIDP	90%	S
GWS Technologies	80%	S
Universal Media	55%	S
QuantiLAB Holding	50%	A

Logistics

IBL Aviation	100%	O
IBL Shipping	100%	O
Ground2Air	100%	S
Logidis	100%	S
Reefer Operations	100%	S
Somatrans	75%	S
Australair	50%	S
G2ACamas	50%	S

Seafood

Cervonic	85%	S
Seafood Hub	85%	S
Froid des Mascareignes	59.50%	S
Marine Biotechnology Products	56.95%	S
Marine Biotechnology Products Côte D'Ivoire	43.35%	A
Mer des Mascareignes	42.50%	A
Princes Tuna (Mauritius)	40.64%	A



Property

Bloomage	100%	S
BlueLife	48.99%	S

CSR

Chemin Rail & Amaury Housing Co Ltd	S
Fondation Joseph Lagesse	S
Les Cuisines Solidaires	S
Nou Zenfan Bois Marchand	S
Small Steps Matters	S

(A) Associate | (JV) Joint venture | (S) Subsidiary | (O) Operation

Leadership

Chairman's Statement

7 min

Dear Shareholder,

The Covid-19 pandemic has fundamentally reshaped the business landscape and IBL's operating context over the past year. Global economic output shrank on a scale unprecedented in peacetime, and the prospects of recovery remain unclear at best.

This crisis has affected the IBL Group's financial and operational performance in a number of ways. However, it has also demonstrated IBL's resilience, the strength of its people and business models, and the extent to which we are at the heart of Mauritius' socio-economic fabric.

Since the start of the crisis, our priority has been to protect our colleagues, customers, business partners and the wider community while also safeguarding our group's business continuity. Despite the unpredictable nature of the pandemic, IBL was able to take robust and proactive action to minimise its impact on our businesses and position ourselves for continued growth in the future.

Though we must remain cautious and frugal in the coming months, IBL's financial and operational strengths, and the energy and commitment of our people, give us confidence in our group's future. This is an opportunity for us to transform into a more agile, digitally enabled, innovative and sustainable group, capable of taking advantage of the new opportunities that are starting to emerge.

THE IMPACT OF COVID-19 ON OUR GROUP

IBL performed well for the first three quarters of the financial year until mid-March 2020, when the pandemic gathered pace. Though most of our clusters were affected by measures to contain the virus, both in Mauritius and abroad, the crisis' impact has not been uniform across the group.

Our hospitality, air logistics, construction and property businesses have borne the brunt of the crisis, which has led to border closures worldwide and global travel coming to a virtual standstill. As a result, we had to halt certain acquisitions that were due to complete during the financial year.

On the other hand, many of our food-related production and distribution activities performed well this year. These sectors proved resilient during and after the Mauritian lockdown, despite the squeeze on household incomes and purchasing power, and continue to provide essential products and services to the community.

Our life sciences, healthcare, technology and agro & energy businesses were also less affected by the crisis and performed relatively well during the year. The ongoing crisis is giving rise to new opportunities for certain operations, with companies such as QuantiLab in our Life & Technologies cluster now working with the Mauritian Government to provide qPCR testing.

FINANCIAL PERFORMANCE

Figures as at 30 June 2020	
Decrease in share price since 30 June 2019	9%
Dividends paid	Rs 0.61 per share (2019: Rs 0.77 per share)
Total number of shares	680,224,050
Market capitalisation	Rs 33.33bn

Chairman's Statement

Unfortunately, due to the impact of the Covid-19, IBL Ltd reported a loss of Rs 1.43bn for the year ended 30 June 2020. IBL's share price and market capitalisation also declined 9% year on year. This was the result of a difficult final quarter of the year as well as numerous goodwill, investments and receivables impairments in its group accounts.

A final dividend of Re 0.39, lower than that for the previous financial year (FY2019: Re 0.56), was therefore paid at the end of the third quarter.

A PERSISTENT FOCUS ON OUR STRATEGY

It is clear that IBL's geographical and sectoral diversification has allowed us to lessen the impact of the Covid-19 crisis, and that is a considerable strength relative to other less diversified groups. Going forward, IBL therefore intends to build on its core strategic in order to:

- strengthen our core Mauritian portfolio;
- expand further into the Indian Ocean and East African region; and
- expand internationally into sectors where we have a competitive advantage and world-class expertise.

In the future, we aim to diversify into dynamic markets outside of Mauritius, and invest in new growth sectors, particularly in digital technology. To achieve this, our teams are deepening our digital transformation, embedding sustainability into our decision-making and ensuring that we have the right talent and skills for the markets and workplaces of the future.

We are, however, adopting a flexible approach to the delivery of our strategy, taking into consideration the pandemic's ongoing evolution. Our priority is to safeguard our existing operations and protect employment. We are therefore actively containing our costs and carefully managing our cashflow in light of the unfavourable short to medium term outlook worldwide.

Our crisis management arrangements remain in place, and we continually reassess the scenarios and action plans that we created in February 2020 to ensure they remain relevant and swiftly respond to new developments.

GOVERNANCE AND RISK

The Board of Directors held a non-scheduled meeting on 28 April 2020 to oversee the management team's response to the pandemic and offer guidance and direction.

The Board also received regular updates from IBL's management regarding emerging systemic risks. The pandemic has notably exposed the vulnerability of the hospitality industry in Mauritius, and this is something that we will bear in mind in the future. We are also mindful of both the rise in cybersecurity risks linked to remote working and the need to manage a number of regulatory and fiscal changes. Mauritius's inclusion on the EU blacklist and FATF watchlist could put considerable pressure on the country's financial services sector, particularly its global business and banking activities, and also negatively affect its foreign currency deposits. It also represents a risk for IBL's property development businesses, which are largely reliant on an international clientele.

We also undertook a Board evaluation this year. It revealed the strength of the Board's composition and the robust mix of experience and competencies among our Directors. The assessment also noted the soundness of our decision-processes, and commended the fact that all of our sub-committees are chaired by experienced independent Directors. While we have certain improvements to make, I am confident that IBL has an effective and well-rounded Board.

During the year, San T. Singaravelloo resigned as a Director of IBL, having chaired the Audit & Risk Committee for two years. We have significantly benefitted from San's experience, and the Board and I would like to thank her for her valuable contributions and commitment. I would also like to welcome our new Director, Isabelle de Melo, who was appointed in September 2019.

OUTLOOK

FY2021 is likely to be challenging. Much will depend on our ability to contain the virus domestically and deploy the vaccines currently in the final stages of development. In Mauritius, the resumption of international travel, the lifting or easing of quarantine measures, and the recovery of the tourism industry are among the factors that will set the pace for the rest of the economy to return to growth. Mauritius' removal from the EU blacklist and the creation and enforcement of sound laws and regulations will also be key to our future economic recovery.

The challenges of the pandemic are likely to persist for some time. However, I am confident that IBL's focused, forward-looking approach, its diversification across different markets, its financial strengths, and our exceptional team members will allow us to ride out the storm while identifying promising new opportunities going forward.

ACKNOWLEDGEMENTS

This has been on the most difficult periods in living memory. Our teams have had to adapt to new ways of working and a very different operating context while also finding solutions to the challenges of the Covid-19 crisis. I am deeply thankful for their efforts and commitment, and I am very proud of how our people have come together in the past year.

I would like to thank my fellow members of the Board of Directors for their support and advice throughout the crisis. I would also like to express my appreciation for IBL's executive and management teams, under the leadership of the Group CEO, Arnaud Lagesse, for how they have dealt with FY2020's numerous challenges.

And finally, I would like to thank our shareholders and financial partners for their continued trust and support despite our company's lower than usual results. I am confident that IBL's diverse portfolio and unique market positioning will allow our company to emerge from this crisis stronger than ever.

REMEMBERING OUR FOUNDING CHAIRMAN, CYRIL LAGESSE

The Board and I wish to convey our deepest sympathies to Arnaud Lagesse and his family following the loss of Arnaud's father and IBL's former Chairman and CEO on 12 November 2020.

Cyril Lagesse was an astute businessman who was instrumental in creating and expanding the Compagnie d'Investissement et de Développement Ltée (CIDL) in 1970. CIDL was renamed GML Investissement in 2008, and later merged with Ireland Blyth Limited in 2016. This merger results in IBL Limited as it exists today. We remain immensely indebted to Cyril's leadership, humanity and vision.

Jan Boullé

Chairman of the Board of Directors

SHAREHOLDERS' CORNER | ANNEX | FINANCIAL STATEMENTS | STATUTORY DISCLOSURES | PERFORMANCE | STRATEGY | LEADERSHIP | WHO WE ARE | INTRODUCTION

Remembering a Visionary Leader

Joseph Cyril Lagesse

(1932-2020)

Cyril Lagesse passed away at his home in Floréal on 12 November 2020, surrounded by his family, after an illness that he fought with courage and dignity. As practicing Catholic, he had accepted his ordeal out of a profound sense of faith.

He was part of a generation of Mauritians who, in the country's post-independence period, worked to prove that the "overcrowded barracoon" was not doomed to failure but instead could survive and prosper.

It would be ambitious to attempt to do justice to Cyril Lagesse's extraordinary and multifaceted journey in a short obituary. In due course, a biography will be written to pay homage to his many accomplishments. Here, we simply want to pay tribute to the Man whom many Mauritians had the privilege of knowing in a variety of capacities and circumstances.

Cyril Lagesse was born in Curepipe on 16 August 1932. The youngest of eight siblings, he was the son of distinguished businessman Joseph Lagesse and his wife Marguerite Rey. From 1947 onwards, he attended secondary school at the Collège du Saint-Esprit, where he befriended the likes of Louis Couacaud, Gérard de Fleuriot, Donald Harel, Jacques Harel, and Guy Lagesse. After successfully completing his university degree, he became a qualified accountant. He quickly developed sound judgement and a keen eye for business.

The young Cyril Lagesse then embarked on a career in the family business. His father – who at the time was developing land for agriculture – probably taught him that it takes daring to reap a profit from rocky, infertile land. In life as in business, Cyril understood that you should leave no stone unturned.

In 1969, Cyril Lagesse took over from his father at the head of Société Mon Loisir SE, whose main activities were cane and sugar production. He modernised the sugar factory, already the first to be fully electrified in Mauritius, increasing its crushing capacity by some 30% and installing the first continuous vacuum pan on the island alongside plate heat exchangers and a de-rocking feeder table. Among other innovations, he also created a bagasse thermal power plant and a sugar refinery on the site. Alongside this, he improved the land through de-rocking, modern irrigation techniques, and enhanced farming practices including total mechanisation that led to considerable productivity gains. In addition, he also diversified the company's activities, notably creating a modern diary plant for instance. Cyril led the company for nearly 35 years, first as a Director, then as its Executive Chairman from 1983 onwards.

After the merger between Compagnie d'Investissement et de Développement Ltée and Desmem Ltée in 2008, Groupe Mon Loisir became the GML Group, Mauritius' largest diversified group in terms of financial turnover.

Thanks to his business acumen and legendary charisma, Cyril Lagesse led the group's strategic development via investments in some hundred companies across various sectors, both in Mauritius and the wider region. These included Ciel Textile Ltd., Deep River Beau Champ Ltd., Mauritius Printing, Robert Le Maire, Dynamotors, United Basalt, Phoenix Camp Minerals, Mauritius Breweries Ltd., Ireland Blyth Ltd., Sun Resort Ltd., and the Mauritius Commercial Bank, among others. This way of working became an integral part of GML's DNA.

Throughout his professional life, Cyril Lagesse devoted himself entirely to advancing the family business and building on his father's legacy. He led the rationalisation of the group's activities and laid the foundations of the Mon Loisir portfolio.

Cyril Lagesse will be remembered not only as a caring husband, a devoted father and an affectionate grandfather, but also as a visionary, an emeritus entrepreneur and above all a great patriot.

Cyril's elegant way of speaking revealed a calm strength. He took the time to thoroughly review each file and demonstrated an excellent knowledge of the issues in every meeting. This rigour was part of what made him a valued and respected leader.

In 2005, he handed the baton to his eldest son, Arnaud Lagesse, who became Group CEO. However, Cyril remained active within the group. He retired permanently in 2015, when his younger son, Hugues Lagesse, succeeded him as a non-executive Director. By that time, GML employed nearly 13,000 people and generated almost 5% of Mauritius' GNP.

Cyril owed his success to his skills as a leader and strategist, his ability to identify outstanding talent and surround himself with the best partners. Known for his remarkable sense of fair play, he was warm and maintained excellent relationships with his colleagues and competitors alike. He was respected for his moral rectitude, analytical skills and wise counsel. These qualities are, without a doubt, the key to success in life.

Cyril Lagesse also actively contributed to Mauritius' leading institutions. He served on several boards as Chairman or as a Director, including the Mauritius Chamber of Agriculture, Mauritius Sugar Producers' Association, Mauritius Sugar Industry Research Institute, Mauritius Sugar Syndicate and Sugar Insurance Fund Board. He supported many other organisations including the Société de Technologie Agricole et Sucrière de Maurice, the Royal Society of Arts and Sciences of Mauritius, and the Société de l'Histoire de l'île Maurice. He was also among the benefactors of the University of Mauritius.

Throughout his life, Cyril Lagesse received numerous honours and awards. He was notably named an Honorary Citizen by the Village Council of Roches Noires in recognition of his involvement in the life of the region. In 2015, he also received a medal from the humanitarian association Amour sans Frontières (ASF) for his service to the community.

There is no doubt that Cyril Lagesse marked the history of Mauritius. He will remain a source of inspiration to all those who want to start and develop their own business, and especially to the young people who represent the future of our country. His elegance, integrity, discretion, generosity and commitment are part of his rich legacy to the Mauritian community.

Cyril Lagesse will be remembered not only as a caring husband, a devoted father and an affectionate grandfather, but also as a visionary, an emeritus entrepreneur and above all a great patriot.

Dr. Jean Claude Autrey

CSK

Board of Directors

Jean-Claude Béga
Executive Director & Group Head of Financial Services & Business Development

Jan Boullé
Non-Executive Chairman

Martine de Fleuriot de la Colinière
Non-Executive Director

Isabelle de Melo
Independent
Non-Executive Director

Pierre Guénant
Independent
Non-Executive Director

Jason Harel
Independent
Non-Executive Director

Arnaud Lagesse
Executive Director &
Group CEO

Benoit Lagesse
Non-Executive Director

Hugues Lagesse
Non-Executive Director

Jean-Pierre Lagesse
Non-Executive Director

Thierry Lagesse
Non-Executive Director

Gilles Michel
Independent
Non-Executive Director

Maxime Rey
Non-Executive Director

Jean Ribet
Non-Executive Director

Directors' Profiles

Jean-Claude Béga

Executive Director & Group Head of Financial Services & Business Development

Citizen and Resident of Mauritius
Appointed: 01/08/2018

Skills and experience

Born in 1963, Jean-Claude started his career in 1980, spending seven years as external auditor before moving to a sugar group to perform various functions within accounting and finance. He joined GML in 1997 as Finance Manager and is currently the Group Head of Financial Services and Business Development.

Qualifications

- Fellow of the Association of Chartered Certified Accountants

External appointments

- AfrAsia Capital Management Ltd
- Anglo African Investments Ltd
- DTOS Ltd
- Eagle Insurance Limited
- Knights & Johns Management Ltd
- LCF Holdings Ltd
- LCF Securities Ltd
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- The Bee Equity Partners Ltd

Core competencies

- Finance, Mergers and Acquisitions, Strategic Development.

Jan Boullé

Non-Executive Chairman

Citizen and Resident of Mauritius
Appointed: 01/03/2016
Chairman: 01/07/2016

Skills and experience

Jan Boullé worked for the Constance Group from 1984 to 2016 and occupied various executive positions and directorships. He has a particular expertise in hospitality and real estate development.

Qualifications

- "Ingenieur Statisticien Economiste" - France
- Post Graduate studies in Economics - Université Laval - Canada

External appointments

- Alteo Limited
- BlueLife Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- The United Basalt Products Limited
- Phoenix Investment Company Limited
- The Bee Equity Partners Limited
- Camp Investment Company Limited

Core competencies

- Strategic Development, Hospitality and Real Estate Development.

Martine de Fleuriot de la Colinière

Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 12/11/2016

Skills and experience

Martine de Fleuriot heads the Commercial, Corporate and Banking department of ENSafrica (Mauritius), one of the largest law firms in Mauritius. She is an experienced barrister and is recognised as a leading lawyer by international directories such as The Global Guide of Chambers and Partners, ILFR 1000 and Legal 500.

Qualifications

- Diplômes d'Etudes Approfondies - Mention Droit Privé - Université de Droit, d'Economie et des Sciences Sociales - Aix-Marseille III
- Barrister's Examination - Council of Legal Education Mauritius

External Appointments

- None

Core competencies

- Law, Mergers and Acquisitions, Corporate Restructuring, Banking, Security Law.

Isabelle de Melo

Independent Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 18/12/2019

Skills and experience

Isabelle de Melo has held executive and leadership positions in various companies and institutions, including Arthur Andersen Audit, Gemplus, Privatair, SETE, Genève Sport and Association Nicolas Bogueret. She was also an independent consultant from 1998 to 2003 and has been a Business Angel (Investor and Coach) since 2009. She is fellow of the Mauritius Institute of Directors (MIOD).

Qualifications

- HEC Paris – France

External Appointments

- None

Core competencies

- Finance, Mergers and Acquisitions, Treasury, Human Resources, Information Technology.

Pierre Guénant

Independent Non-Executive Director

Non-Citizen and Non-resident of Mauritius
Appointed: 27/07/2015

Skills and experience

Pierre Guénant is an accomplished entrepreneur. He founded and developed the PGA Group whose turnover is € 5.2bn and which employs about 11,000 people in France, Belgium, Holland and Poland; and is currently chairman of PGA Holding. He is also involved in the hotel industry and the wine industry as well as in investment funds. He serves as a director on the Boards of several listed companies outside of Mauritius.

Qualifications

- Ecole Supérieure de Commerce de Paris

External appointments

- None

Core competencies:

- Entrepreneurship, Strategic Development, International Business and Management.

Jason Harel

Independent Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 01/07/2016

Skills and experience

Jason Harel is the co-founder and partner of BLC Robert & Associates, which is ranked as a top-tier business law firm by all leading legal directories. He leads their corporate and M&A practice which includes non-contentious restructuring and taxation. Jason's practice mainly involves the real estate (including construction and hospitality) and financial services sectors (including the banking and global business sectors).

Qualifications

- Chartered Accountant - England & Wales
- Barrister-at-Law - England & Wales and Mauritius

External Appointments

- None

Core competencies

- Corporate and Business Law, Taxation, Mergers and Acquisitions, Hospitality Sector including Real Estate, Financial Services Sector including Banking and Global Business.

Directors' Profiles

Arnaud Lagesse

Executive Director & Group CEO

Citizen and resident of Mauritius
Appointed: 23/03/2015
Group CEO: 01/07/2016
2005-2016: 11 years' experience as CEO

Skills and experience

Arnaud Lagesse is the Group CEO of IBL Ltd. He is one of the Mauritian private sector's most prominent leaders and is known to drive IBL Group with innovative and challenging undertakings.
In 2016, he initiated the merger of GML Investissement Ltée and Ireland Blyth Limited and created the new entity IBL Ltd which thus became the n°1 group in Mauritius and 2nd largest group in the region excluding South Africa.

Qualifications

- Breakthrough Executive Program - Egon Zehnder-Mobius, Portugal
- Advanced Management Program (AMP180) - Harvard Business School, United States
- Executive Education Program - INSEAD - France
- Graduated from the Institut Supérieur de Gestion - Paris, France
- Masters in Management - Université d'Aix-Marseille II - France

External appointments in both listed and non-listed companies

Chairman

- Alteo Limited
- Bloomage Ltd
- Camp Investment Limited
- Fondation Joseph Lagesse
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Lux Collective Limited

Member of the Board of Directors

- AfrAsia Bank Limited
- BlueLife Limited
- Seafood Hub Limited
- Pick and Buy Limited
- Other non-listed Mauritian Companies

Core competencies

- Business & Finance, Deal Structuring, Strategic Business Development.

Benoit Lagesse

Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 12/02/2018

Skills and experience

Benoit Lagesse started his career with Touche Ross before working at Canadian Pacific in London then moving to Zimbabwe to manage a farming business.

Qualifications

- Bachelor of Science (Computers) - Manchester University - England
- Chartered Accountant - England & Wales

External appointments

- Chairman of GML Ineo Ltée
- Chairman of Mon Loisir Ltée
- Alteo Enery Ltd
- Compagnie Sucrière de Saint Antoine

Core competencies

- Finance, Accounting and Agriculture.

Hugues Lagesse

Non-Executive Director

Citizen and Resident of Mauritius
Appointeds: 01/07/2015

Skills and experience

Hugues Lagesse currently acting CEO of Bluelife Limited (BLL), was formerly Head of Projects and Strategic Property Development at BLL, a real estate company that develops property in Mauritius.
He has acquired considerable experience and competence in high-end residential and mixed-use real estate.

Qualifications

- Diploma in Administration and Finance - Ecole Supérieure de Gestion - Paris
- Management Program INSEAD - France
- Real Estate Program - Harvard Business School - United States
- General Management Program for Mauritius and South East Africa - ESSEC

External appointments

- BlueLife Limited
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited

Core competencies:

- Real Estate, Property development, Management.

Jean-Pierre Lagesse

Non-Executive Director

Citizen and Non-resident of Mauritius
Appointed: 01/07/2015

Skills and experience

Jean-Pierre Lagesse is a specialist in property investment, development, asset enhancement and portfolio management in London, having been a partner of 10 Ant Group since 2007, and is responsible for the purchase and redevelopment of real estate. He has more than twenty years of experience in the sector, in Europe and Africa.

Qualifications

- MBA from Cranfield School of Management - UK

External appointments

- None

Core competencies

- Property Development, Real Estate.

Thierry Lagesse

Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 24/09/1983

Skills and experience

Thierry Lagesse is the Founder of the Palmar Group a textile and garment-oriented manufacturing company. A visionary entrepreneur, he also launched a Direct To Home satellite television company in the Indian Ocean Islands. He serves as a director on the Boards of several listed companies on the Stock Exchange of Mauritius.

Qualifications

- Maitrise des Sciences de Gestion - Université de Paris Dauphine

External appointments

- Alteo Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The United Basalt Products Ltd
- Camp Investment Company Limited

Core competencies

- Entrepreneurship, Business Development and Finance, Strategic Development, Hospitality, Manufacturing, Textile, Media.

Gilles Michel

Independent Non-Executive Director

Non-Citizen and Resident of Mauritius
Appointed: 20/06/2012

Skills and experience

Gilles Michel has held executive positions in major international companies and institutions like Saint Gobain Group, PSA Peugeot Citroën and Fonds Stratégique d'Investissement. He was, until 2018, Chairman and CEO of Imerys.

Qualifications

- Ecole Polytechnique, Ecole Nationale de la statistique et de l'Administration Economique (ENSAE)
- Institut d'Etudes Politiques (IEP) - Paris

External appointments (listed companies)

- Valeo (Paris)
- Solvay (Bruxelles)

Core competencies

- Automobile Industry, Process Industry, Strategic Development, Management.

Directors' Profiles

Maxime Rey

Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 01/07/2016

Skills and experience

Maxime Rey has extensive experience in the Insurance sector. He worked for the Mauritius' leading insurance company Swan as CFO for more than twenty years until his retirement in 2016. Before that, he also worked in Johannesburg for Kuehne and Nagel (Pty) Ltd, the South African arm of a leading global provider of innovative and fully integrated supply chain solutions, as Group Financial Director for thirteen years.

Qualifications

- Qualified Accountant

External appointments

- BMH Limited
- Lux Island Resorts Limited
- MFD Group Limited
- Mer Rouge Trading Ltd
- Constance La Gaieté Co. Limited
- Tropical Paradise Co. Limited
- PNL
- Leal & Co Ltd

Core competencies:

- Finance, Accounting, Risk Management, Insurance.

Jean Ribet

Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 01/07/2016

Skills and experience

Jean Ribet has been the Group Chief Executive Officer of the Constance Group since 2004, with overall responsibility for the agro-industrial, tourism and investment activities of the group.

Qualifications

- Chartered Accountant - South African Institute of Chartered Accountants
- Bachelor of Commerce degree - University of Cape Town

External appointments (listed)

- BMH Limited
- Constance Hotels Services Ltd
- Constance La Gaieté Co. Ltd
- Hotelest Ltd
- Livestock Feed Ltd

Core competencies

- Finance, Strategic Development.

Stéphane Lagesse

Alternate Director to Thierry Lagesse

Citizen and Resident of Mauritius
Appointed: 01/07/2016

Skills and experience

Stephane Lagesse has extensive experience in the garment sector having worked for more than 35 years for the Palmar Group in Mauritius.

Qualifications

- Degree in Gestion des Entreprises – Paris Dauphine

External appointments

- The United Basalt Products Ltd

Core competencies

- Finance, Textile, Manufacturing and Trading.

Organisational Structure

Chairman of the Board of Directors
Jan Boullé

Group Chief Executive Officer
Arnaud Lagesse

Executive Assistant
Annelise Nicolin

Alteo CEO
André Bonieux

Bloomage CEO
Robin Hardin

BlueLife Acting CEO
Hugues Lagesse

Intergraph CEO
Patrick Macé

PhoenixBev CEO
Bernard Theys

The Lux Collective CEO
Paul Jones

UBP CEO
Stéphane Ulcoq

Group Head of Operations
Patrice Robert

BrandActiv & Healthcare Operations COO
Patrice Marie

Engineering & Energy COO
Emmanuel André

Logistics COO
Danny Ah Chong

Manser Saxon Group COO
Fabrizio Merlo

CNOI COO
Franck Piriou

Seafood COO
Gopalakrishna Naidu Purseramen

Winner's COO
Aldo Létimier

CFO Group Operations
Preetee Jhamna

Group Head of Financial Services & Business Development
Jean-Claude Béga

AfrAsia CEO
Sanjiv Bhasin

City Brokers Acting CEO
Alain Bouzaid

DTOS CEO
Jimmy Wong

Eagle Insurance CEO
Derek Wong

EllGeo Re CEO
Jean-Alain Francis

LCF Securities CEO
Raj Tapesar

Lux Island Resorts CEO
Désiré Elliah

The Bee Equity Partners CEO
Olivier Fayolle

Mergers & Acquisitions Head of Business Development
Hubert Leclézio

Head of Business Development – East Africa
Jorsen Patten

Heads of Financial Services
Sattar Jackaria and Laurent de La Hogue

Group Head of Corporate Services
Thierry Labat

Group Corporate Secretary
Doris Dardanne

Group Chief Human Capital Officer
Hubert Gaspard

Head of Communications
Caroline Tyack

Head of Risk Management & Compliance – Ethics Officer
Olivier Decotter

Head of Legal Affairs
Anaick Larabi

Head of Internal Audit
Kevin Maurymoothoo

GM of Trademarks & Consulates
Ruben Payen

Alentaris CEO
Thierry Goder

Group Head of Technology & Sustainability
Christine Marot

Head of Technology & Digital Transformation
Diya Nababsing-Jetshan

Head of CSR
Martine de Souza

Head of IBL Life
Géraldine Jauffret

Head of IBL Link
Laurent Fayolle

Group Information & Technology Executive
Under recruitment

Corporate Manager - Sustainable Development
Marie-Laurence Dupont

Group Chief Finance Officer
Dipak Chummun

Head of Group Finance & Analytics
Dev Ramasawmy

Head of Treasury
Yannick Ulcoq

Group Strategic Innovation & Excellence Executive
Delphine Lagesse

IBL Group Loyalty Manager
Cécile Henry

Executive Team

Danny Ah Chong
Logistics COO

Emmanuel André
IBL Engineering & Energy COO

Bertrand Baudot
Quantilab MD

David Commarmond
GWS Technologies CEO

Doris Dardanne
Group Corporate Secretary

Olivier Decotter
Head of Risk Management
& Compliance – Ethics Officer

Jean-Claude Béga
Group Head of
Financial Services &
Business Deveopment

Sanjiv Bhasin
AfrAsia CEO

Claire Blazy-Jauzac
CIDP CEO

Laurent De La Hogue
Head of Financial Services

Martine De Souza
Head of CSR

Désiré Elliah
Lux Island Resorts CEO

André Bonieux
Alteo CEO

Alain Bouzaid
City Brokers Acting CEO

Dipak Chummun
Group Chief Finance Officer

Pierre Egot
IBL Energy GM

Laurent Fayolle
Head of IBL Link

Olivier Fayolle
The Bee Equity Partners CEO

Executive Team

Jean-Alain Francis
EllGeo Re CEO

Hubert Gaspard
Group Chief Human Capital Officer

Thierry Goder
Alentaris CEO

Arnaud Lagesse
Group Chief Executive Officer

Delphine Lagesse
Group Strategic Innovation & Excellence Executive

Hugues Lagesse
BlueLife Acting CEO

Robin Hardin
Bloomage CEO

Sattar Jackaria
Head of Financial Services

Géraldine Jauffret
Head of IBL Life

Anaick Larabi
Head of Legal Affairs

Hubert Leclézio
Mergers & Acquisitions
Head of Business Development

Kevin Lennon
Head of Group Human Capital Operations

Preetee Jhamna
CFO Group Operations

Paul Jones
The Lux Collective CEO

Thierry Labat
Group Head of Corporate Services

Aldo Létimier
Winner's COO

Patrick Macé
Intergraph CEO

Patrice Marie
BrandActiv & Healthcare Operations COO

Executive Team

Christine Marot
Group Head of Technology & Sustainability

Kevin Maurymoothoo
Head of Internal Audit

Fabrizio Merlo
Manser Saxon Group COO

Navin Ramkhelawon
Universal Media GM

Patrice Robert
Group Head of Operations

Raj Tapesar
LCF Securities CEO

Diya Nababsing-Jetshan
Head of Technology & Digital Transformation

Jorsen Patten
Head of Business Development – East Africa

Ruben Payen
GM of Trademarks & Consulates

Bernard Theys
PhoenixBev CEO

Caroline Tyack
Head of Communications

Stéphane Ulcoq
UBP CEO

Franck Piriou
CNOI COO

Gopalakrishna Naidu Purseramen
Seafood COO

Dev Ramasawmy
Head of Group Finance & Analytics

Yannick Ulcoq
Head of Treasury

Derek Wong
Eagle Insurance CEO

Jimmy Wong
DTOS CEO

Profiles of Key Senior Executives

Dipak Chummun

Group Chief Finance Officer

Appointed: 01/07/2016

Skills and experience

- Worked with PWC in London and Singapore for over 6 years, in audit andmanagement consultancy, specialising in business development in emerging markets for large retail brands and a number of multinational banking and insurance industry clients.
- Joined the banking industry in Singapore in 1996 and, over 18 years, held a number of regional and group leadership roles in Corporate and Investment Banking, Strategy, M&A and Finance, with major international banks, including Standard Chartered, Barclays, Emirates NBD and Deutsche Bank, in their hubs in London, Hong Kong, Singapore, Dubai and Frankfurt.
- Dipak served on the International Advisory Board of the ICAEW in London and actively participated in the development of the finance profession in Asia and Middle East.
- Was appointed Executive Director and Group Chief Finance Officer of Ireland Blyth Limited on 1 January 2015. After the latter's amalgamation into IBL Ltd (formerly GML), Dipak was appointed Group Chief Finance Officer of IBL Ltd on 1 July 2016.

Qualifications

- Bachelor's Degree in Computer Science – University of Manchester, United Kingdom.
- Fellow of the Institute of Chartered Accountants – England and Wales (ICAEW).

Thierry Labat

Group Head of Corporate Services

Appointed: 01/07/2017

Skills and experience

- Was appointed Company Secretary of GML in 2001, then Group Company Secretary & Head of the Corporate Secretarial teams of IBL Ltd in 2016.
- Played a role in the successful closing of significant mergers and acquisitions of listed companies.
- Was appointed Group Head of Corporate Services of IBL Ltd in 2017, now leading the following group functions: Corporate Secretarial, Legal Affairs, Human Capital, Communications, Risk Management & Compliance, Internal Audit, and Trademarks & Consulates.

Qualifications

- Chartered Secretary and Fellow of the Institute of Chartered Secretaries and Administrators (ICSA) – South Africa and United Kingdom respectively.
- Executive Management Programme – ESSEC Business School.

Christine Marot

Group Head of Technology & Sustainability

Appointed: 01/07/2020

Skills and experience

- Held the position of Finance Executive – Corporate & Accounting at GML, until November 2014.
- Headed the finance and ICT departments, and was actively involved in successful merger and acquisition projects.
- Was appointed CEO of BlueLife Limited, a listed company involved in property development and asset management, in November 2014. Acted as CEO of BlueLife Limited until May 2020.
- Was appointed Group Head of Technology & Sustainability of IBL Ltd in July 2020, leading the IT & Digital Transformation as well as Sustainability departments. Also responsible of the following clusters: IBL Life, IBL Link and Fondation Joseph Lagesse.

Qualifications

- Partly qualified ACCA.
- Executive Management Programme – ESSEC Business School.

Patrice Robert

Group Head of Operations

Appointed: 01/08/2018

Skills and experience

- Worked in Singapore for 10 years, as consultant in Supply Chain & Strategy at Accenture, then as Vice President of DHL's Service Parts Logistics Business Unit for the Asia Pacific region.
- Joined IBL Ltd in 2008 as General Manager of Thon des Mascareignes and was then appointed in September 2010 as Chief Operating Officer for the Seafood cluster, responsible for its local operations and international development.
- Was promoted Group Head of Operations in August 2018, responsible for IBL Ltd's Manufacturing & Processing, Logistics, Commercial, and Building & Engineering activities.

Qualifications

- Bachelor's Degree in Engineering – University of Portsmouth, United Kingdom.
- MBA – University of Chicago Booth School of Business, United States of America.

Jean-Claude Béga

Group Head of Financial Services & Business Development

Appointed: 01/07/2016

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Arnaud Lagesse

Group Chief Executive Officer

Appointed: 01/07/2016

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Corporate Governance Report

INTRODUCTION

IBL Ltd (IBL), a public interest entity as defined by the Financial Reporting Act 2004, has applied the principles of the National Code of Corporate Governance (2016). This corporate governance report sets out how the Code's principles have been applied and reflected throughout IBL. Good governance is at the heart of IBL and is crucial to the Company's success and its ability to deliver on its strategy.

This report, part of IBL's Integrated Report for 2019-2020 is also available on IBL's website: www.iblgroup.com

GOVERNANCE STRUCTURE

Governance Charter

IBL's governance structure is set out in its Governance Charter. The Charter defines the role, function and objectives of the Board of Directors, Board Committees, Chairman, Group CEO and senior executives. It also sets out how they interact in order to promote efficient, transparent and ethical functioning/decision-making processes within the group. In the same spirit, the IBL Dealing Policy has been approved and signed by all the Directors and Senior Officers of IBL.

To ensure that good governance is applied throughout the group, the Board ensures that regular Board meetings and management committee meetings are held throughout the group. The composition of the Boards of the main subsidiaries of the group is reviewed and recommended by IBL's Corporate Governance Committee (which also acts as the Nomination and Remuneration Committee) and approved by the Board.

The Governance Charter and the IBL Dealing Policy are available on IBL's website: www.iblgroup.com

Code of Business Ethics

A Code of Business Ethics, which also includes whistle blowing procedures, has been reviewed and approved by the Board on 3 June 2019. The Board has recommended that this Code be adopted by all the companies of the group.

The Code is available on IBL's website at www.iblgroup.com

Constitution

IBL's Constitution complies with the provisions of the Mauritian Companies Act 2001 and the Listing Rules of the SEM. There are no clauses of the Constitution deemed material enough requiring specific disclosure.

A copy of the Constitution is available on the website at www.iblgroup.com

Organisational chart and Accountability Statement

A governance structure and organisational chart for IBL setting out the key senior positions and the reporting lines within the group are set out in the section "Governance and Leadership" of the Integrated Report.

Organisational Structure p. 30

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board

IBL is led by an effective and highly committed unitary Board comprising 14 Directors (including 2 female Directors) and out of which, 4 are Independent, 8 are Non-Executive and 2 are Executive Directors. The Board considers that given the size of the Company, its current scope of activities and geographical spread of operation, the current Directors have the expertise in strategic development, finance, law, risk management, real estate development and entrepreneurship. They are of appropriate calibre and have the appropriate mix of core competencies, knowledge and diversity to manage the Company in an efficient manner in order to achieve the objectives and meet the strategy.

The Board assumes responsibility for leading and controlling the Company and for ensuring that all legal and regulatory requirements are met. It plays a key role in determining the Company's direction, monitoring its performance and overseeing risks. It is collectively responsible for the long-term success of the Company.

Directors' Profiles and details of external appointments

Directors' profiles, including details of their appointments in listed companies, have been disclosed in the section "Governance and Leadership" of the Integrated Report.

Board and Directors' roles and responsibilities

Chairman
- Provides overall leadership.
- Ensures smooth functioning of the Board.
- Encourages active participation of each Director in discussions.

Non-Executive Directors and Independent Directors
- Monitor the delivery of the agreed strategy within the risk and control framework set by the Board.
- Constructively challenge the Executive Directors and the management of the Company.

Group CEO
- Responsible for the day-to-day running of the Company's operations.
- Leads and directs senior management to implement the strategy and policies set by the Board.

Company Secretary
- Provides assistance and information on governance and corporate administration issues.
- Guides the Board on the Directors' statutory duties under the law; disclosure obligations; Listing Rules and corporate governance requirements and effective Board processes.

Notes:

1. The 4 Independent Non-Executive Directors are considered independent based on the independence criteria set out in the National Code of Corporate Governance for Mauritius. The Independent Directors have not been employees of the Group within the past three years nor do they have a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company.
2. A majority of Directors do not have a relationship with the shareholders holding more than 5% of the Company's shares.

Board processes, meetings and activities in 2019-2020

Board meeting process

Beginning of the year	Setting of agenda	Before the meeting	Board meeting	After the meeting
· Planning for Board Meetings for the ensuing year is set by the Group Corporate Secretary.	· Draft agendas for the Board are finalised by the CEO and the Chairman prior to each meeting. · Agendas are finalised at least one week before the scheduled date of the meeting.	· Agenda and all relevant Board papers are sent to the Directors one week before the scheduled meeting. · Necessary arrangements (video conferencing, etc) are made for those Directors not able to be physically present.	· Regular matters such as the review of activities of the various clusters of IBL or reports from the Committee Chairpersons are discussed.	· Minutes are produced and sent to the Group CEO and Chairman for review and comments prior to circulating these to the Board. · Follow-up on certain Board decisions (update of authorised signatories, etc.) are then ensured by the Company Secretary.

Corporate Governance Report

The Board in 2019-2020

During the year under review, the Board met 6 times. Below is a list of the main issues discussed at these meetings. Decisions were also taken by way of written resolutions signed by all the Directors.

Regular agenda items

- Review of operations of the different clusters.
- Review of investments in major subsidiaries/ associates.
- Take note of the matters discussed in sub-committee meetings.

Financial items

- Abridged audited annual financial statements and full audited financial statements.
- Abridged financial statements for the first, second and third quarters.
- Dividend declarations
- Budget 2019-2020.
- Assessment of the cash flow in light of Covid-19.

Strategy

- Review of the various investment projects.

Governance

- Assessment of directors' independence.
- Approval of the nomination of directors on the various Boards of subsidiaries.
- Approval of the Corporate Governance Report and Statement of Compliance.
- Recommend to the Board for approval the appointment of a new Independent Director.
- Review of operational costs at IBL Corporate Centre and Directors' fees in light of Covid-19.

Other matters

- Approval of communiqués/ announcements as required by the relevant rules and regulations.
- Approval of corporate guarantees given to major subsidiaries.
- Review of several projects (e.g. investment in Africa, increase in share capital in an associate company).
- Approval of the 2nd issue of Notes under the existing multi-currency note programme.

Attendance in 2019-2020

	15/07/19	27/09/19	14/11/19	13/02/20	28/04/20	12/06/20	Total No. of meetings attended
Jan Boullé	✓	✓	✓	✓	✓	✓	6
Jean-Claude Béga	✓	✓	✓	✓	✓	✓	6
Martine de Fleuriot de la Colinière	✓	✓	✓	✓	✓	✓	6
Isabelle de Melo (1)			✓	✓	✓	✓	4
Pierre Guénant	✗	✓	✓	✓	✓	✓	5
Jason Harel	✓	✓	✓	✓	✓	✓	6
Arnaud Lagesse	✗	✓	✓	✓	✓	✓	5
Benoit Lagesse	✗	✓	✓	✓	✓	✓	5
Hugues Lagesse	✓	✓	✓	✓	✓	✓	6
Jean-Pierre Lagesse	✓	✓	✓	✓	✓	✓	6
Thierry Lagesse (2)	✗	✓	✓	✓	✓	✓	5
Gilles Michel	✓	✓	✓	✓	✓	✓	6
Maxime Rey	✓	✓	✓	✓	✓	✓	6
Jean Ribet	✗	✓	✓	✓	✓	✓	5
San T. Singaravelloo (1)	✓	✓					2
Stephane Lagesse (Alternate to Thierry Lagesse)	-	-	-	-	-	-	-

Notes:

1. Appointed on 27/09/2019 in replacement of San T. Singaravelloo who resigned on that date.
2. Being conflicted, Arnaud Lagesse and Thierry Lagesse did not attend the Board meeting of 15 July 2019.

BOARD COMMITTEES

The Board is assisted in its functions by three main sub-Committees: (i) an Audit and Risk Committee, (ii) a Corporate Governance Committee, which also acts as a Nomination and Remuneration Committee, and (iii) a Strategic Committee. These committees operate within defined terms of reference and may not exceed the authority delegated to them by the Board. The sub-committees are chaired by experienced Chairmen who report to the Board on the issues discussed at each Committee meeting.

IBL Management Ltd, the Company Secretary also acts as secretary to the Board Committees. Each member of the Board has access to the minutes of Board Committee meetings, regardless of whether the Director is a member of the Board Committee in question or not.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities. It is the Committee's responsibility to review the integrity of the financial statements and the effectiveness of the internal and external auditors. The Audit and Risk Committee Charter as approved by the Board on 3 June 2019 is available on the Company's website at www.iblgroup.com

Corporate Governance Report

Composition

The Committee is chaired by Jason Harel, an Independent Non-Executive Director (previously chaired by San T. Singaravello who resigned on 27 September 2019). The other members of the Committee are Isabelle de Melo (Independent Non-Executive Director), Maxime Rey and Thierry Lagesse (both Non-Executive Directors). The Committee's meetings are also attended by the Group CEO, the Group CFO, the CFO – Group Operations, the Head of Internal Audit and the Head of Risk Management & Compliance.

Attendance in 2019-2020

	02/07/19	02/08/19	20/09/19	11/11/19	10/02/20	11/05/20	03/06/20	Total No. of meetings attended
San T. Singaravello[1]	✓	✓	✓					3
Isabelle de Melo[1]				✓	✓	✓	✓	4
Jason Harel	✓	✓	✓	✓	✓	✓	✓	7
Thierry Lagesse	✕	✕	✕	✕	✓	✓	✓	3
Maxime Rey	✓	✓	✓	✓	✓	✓	✓	7

Note:
1. Isabelle de Melo was appointed on 27/09/2019 in replacement of San T. Singaravelloo.

Matters considered in 2019-2020

During the year under review, the Audit and Risk Committee met 7 times and the main issues discussed included:

Regular Financial Matters

- Abridged audited annual financial statements and full audited financial statements.
- Abridged financial statements for the first, second and third quarters.
- Dividend declarations.
- Budget 2019-2020.
- Group CFO's report.

Internal Audit Matters

- Considered the various reports of the Head of Internal Audit on the subsidiary companies of the group.

Risk Management Matters

- Considered the risk management approach and report.
- Approval of a risk management policy statement.
- Considered the quarterly risk report on IBL and its subsidiaries.
- Considered a risk assessment report on the group's top 10 risks.
- Considered a risk management guidelines.

Other Matters

- Presentation by the external auditors on the audit review for the year 2019-2020.
- Presentation by the external auditors on the review of the valuation of investments within the group.
- Considered a summary from the Group CFO on main management points received from the external auditors.
- Considered a report on the restructuring of pension liabilities.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee advises the Board on matters pertaining to corporate governance and ensures that the principles of the National Code of Corporate Governance are applied. This Committee also acts as Nomination & Remuneration Committee.

The Corporate Governance Committee's Charter, which has been reviewed and approved on 3 June 2019 is available on IBL's website at www.iblgroup.com

Composition

The Committee is chaired by Gilles Michel, an Independent Non-Executive Director. The other members of the Committee are Jan Boullé, Thierry Lagesse and Jean Ribet, who are Non-Executive Directors and Arnaud Lagesse, who is an Executive Director.

Attendance in 2019-2020

	18/09/19	07/02/20	27/04/20	Total No. of meetings attended
Gilles Michel	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Arnaud Lagesse	✓	✓	✓	3
Thierry Lagesse	✕	✓	✕	1
Jean Ribet	✓	✓	✓	3

Matters considered in 2019-2020

During the year under review, the Corporate Governance Committee met 3 times, and matters discussed included:

Nomination

- Recommendation to the Board on the nomination of Directors on the various Boards of subsidiaries.
- Recommendation to the Board on the appointment of 2 Independent Non-Executive Directors, with one appointment effective in the next financial year.

Corporate Governance

- Recommendation to the Board for approval of the Corporate Governance Report and Statement of Compliance.
- Reviewed the remuneration of the Chairman of the Board.
- Considered the findings following the conduct of the Board Evaluation exercise and started the implementation of some of these recommendations.
- Recommendation to the Board for approval of a reduction of the Directors' fees in light of Covid-19 pandemic.

Remuneration Sub-Committee

The Corporate Governance Committee has assigned its remuneration functions to a sub-committee, hereinafter referred to as Remuneration Sub-committee. The sub-committee has also been entrusted with the Corporate Governance Committee's mandate to review the remuneration of staff members, managers and senior management.

Composition

While the Corporate Governance Committee is chaired by Gilles Michel, an Independent Non-Executive Director, the Remuneration Sub-Committee is chaired by Marc Freismuth, who is neither an Independent Non-Executive Director nor a Board member. The Board of IBL is of the view that Marc Freismuth possesses the relevant expertise and knowledge of Mauritian remuneration practices to effectively act as the Chairman of this Sub-committee.

The other members of the Sub-committee are Jean Ribet and Jan Boullé, both Non-Executive Directors and members of the Corporate Governance Committee.

Corporate Governance Report

Attendance in 2019–2020

	01/07/19	17/04/20	09/06/20	Total No. of meetings attended
Marc Freismuth	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Jean Ribet	✓	✓	✓	3

Matters considered in 2019–2020

During the year under review, the Remuneration Sub-Committee met 3 times, and matters discussed included:

- Reviewing the performance of the CEO and key senior executives
- Determination and calculation of the performance bonus for the year 2019-2020
- A review of remuneration
- Reviewing and approving the list of Executives entitled to the LTI scheme for 2019-2020
- Assessing the impact of Covid-19 on the operations of the Corporate Centre

Strategic Committee

The Strategic Committee was established for the purpose of advising the Board about the Company's strategy. This Committee also assists the Board in analysing, negotiating, reporting on and making recommendations on potential strategic transactions involving the Company.

A copy of this Charter is available on the website of IBL at www.iblgroup.com

Composition

The Committee is chaired by Pierre Guénant, an Independent Non-Executive Director. The other members of the Committee are Gilles Michel, an Independent Non-Executive Director; Jan Boullé, Thierry Lagesse and Jean Ribet, all Non-Executive Directors; and Arnaud Lagesse, Executive Director.

Attendance in 2019–2020

Members	03/07/19	02/09/19	14/10/19	02/12/19	03/02/20	05/05/20	07/05/20	25/05/20	29/05/20	05/06/20	Total No. of meetings attended
Pierre Guénant	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Jan Boullé	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Thierry Lagesse (1)	✗	✓	✓	✓	✓	✓	✗	✓	✗	✓	7
Gilles Michel	✓	✓	✗	✓	✓	✗	✓	✓	✓	✓	8
Jean Ribet	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	9

Note:
1. Being conflicted, Thierry Lagesse did not attend the meeting of 7 May 2020.

Matters considered by the Committee in 2019–2020

During the year under review, the Strategic Committee met 10 times and the matters which were discussed included:

Projects

- Considered various proposals/projects which are not yet finalised
- Reviewed the warehousing facilities project
- Received regular updates on projects/proposals presented by management
- Made recommendations to the Board not to go forward with the acquisition of General Construction Co Ltd in the context of post-Covid-19

Other matters

- Reviewed the Strategic Plan of IBL Life
- Reviewed various projects in line with the Company's strategy
- Reviewed IBL's strategy in light of the Covid-19 pandemic

DIRECTOR APPOINTMENT PROCEDURES

Potential Directors identified and selected by Nomination Committee

↓

Recommendation by the Nomination Committee to the Board of Directors

↓

Appointment of new Director by the Board of Directors

↓

Once appointed and in accordance with the Constitution of IBL Ltd, Directors must stand for re-election at the Company's Annual Meeting every 3 years

During the year under review, Mrs. Isabelle de Melo has been appointed by the Board and her appointment shall be put to the recommendation of the shareholders at the forthcoming Annual Meeting. In addition, Pierre Guénant shall stand for re-election as per the Constitution of IBL. The Board has also appointed Mr. Richard Arlove as Independent Director. His appointment, effective upon the replacement of the Mr. Jason Harel who expressed the wish to resign by the end of December 2020.

Corporate Governance Report

Board induction

The Company Secretary assists the Chairman in ensuring that an induction programme is in place for all new Directors to enable them to develop a good understanding of the Company and the group. Additionally, as per the Governance Charter, each newly appointed Director receives an induction pack containing documents pertaining to his or her role, duties and responsibilities.

One-to-one briefing with the Chairman of the Board and Group CEO

One-to-one briefing with the Group Corporate Secretary

Board Induction Programme

Detailed briefings with COO and Senior Executives of each cluster and Group Heads and Heads of Departments of the Corporate Centre

Site visits

Board evaluation

In line with its Corporate Governance Charter, IBL shall carry out a Board evaluation exercise every 2 years. A Board evaluation exercise was initiated in August 2019 following the signature of an engagement letter with an external evaluator. A questionnaire validated by the Corporate Governance Committee was then sent to each Director. The external evaluator also met the Chairman of the Board following the completion of the exercise and the results were subsequently communicated to the Board. The following were found to be the strengths of the Board:

- Diversity of skill sets of Board Members
- Efficient and experienced Committees
- Quality of CEO/Chair relationship
- Robust decision making process

In terms of areas of improvement, the following were recommended:

- Occasional informal gatherings outside of the boardroom to give board members opportunities to exchange further and better align
- Review the company's strategy more frequently

The necessary steps have been taken to address these two areas of improvement.

Professional development and training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional practices. They are also encouraged to participate in various workshops and presentations organised by the Company from time to time.

Time commitments

Board members are expected to dedicate such time as is necessary for them to effectively discharge their duties. The Board must give its approval prior to an Executive Director accepting a seat on the board of any other company outside of the IBL Group. Each Director has a duty to act in the best interests of the Company and is expected to ensure that his or her other responsibilities do not impinge on his or her responsibilities as a Director of IBL Ltd.

Succession plan

The Board believes that good succession planning is a key contributor to the delivery of the group's strategy and its ability to create value in the long term. The Board is committed to recognising and nurturing talent across the group's executive and management teams in order to develop current and future leaders. Succession planning, which is reviewed on an annual basis, is within the purview of the Nomination Committee.

DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' duties

Directors are aware of their legal duties. Once appointed on the Board, the Director receives the following documents pertaining to his or her duties and responsibilities:

- Directors' Code of Conduct
- Governance Charter
- Charter of Values and Ethics
- The Constitution
- Salient features of the Listing Rules and the Securities Act

Conflicts of interest and related party transactions policy

The Directors' Code of Conduct contains provisions to prevent insider dealing and manage any potential conflict of interest. In addition, the Board approved on 3 June 2019, a Conflict of Interest and Related Party Policy.

Interest Register

An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Information, information technology and information security governance

The Board is responsible for information governance within IBL. The management of information technology and information security governance are delegated to the group's IT Department.

With the growth and continuous evolution of cybersecurity threats, further intensified with the Covid-19 outbreak, the group's IT Department focused on the improvement of its cybersecurity risk management framework. Multiple initiatives were triggered as part of our cybersecurity roadmap, namely:

- Implementation of the newly developed set of IT Policies within the group.
- Improvement of our cybersecurity awareness program across the group – enhancing our 'Human Firewall'.
- Assessment and upgrade of our endpoint protection solution.
- Due diligence of our IT Vendors and Service Providers.
- Implementing advanced tools and solutions to better protect sensitive information.
- Leveraging on external Security consultants to improve our cybersecurity maturity.

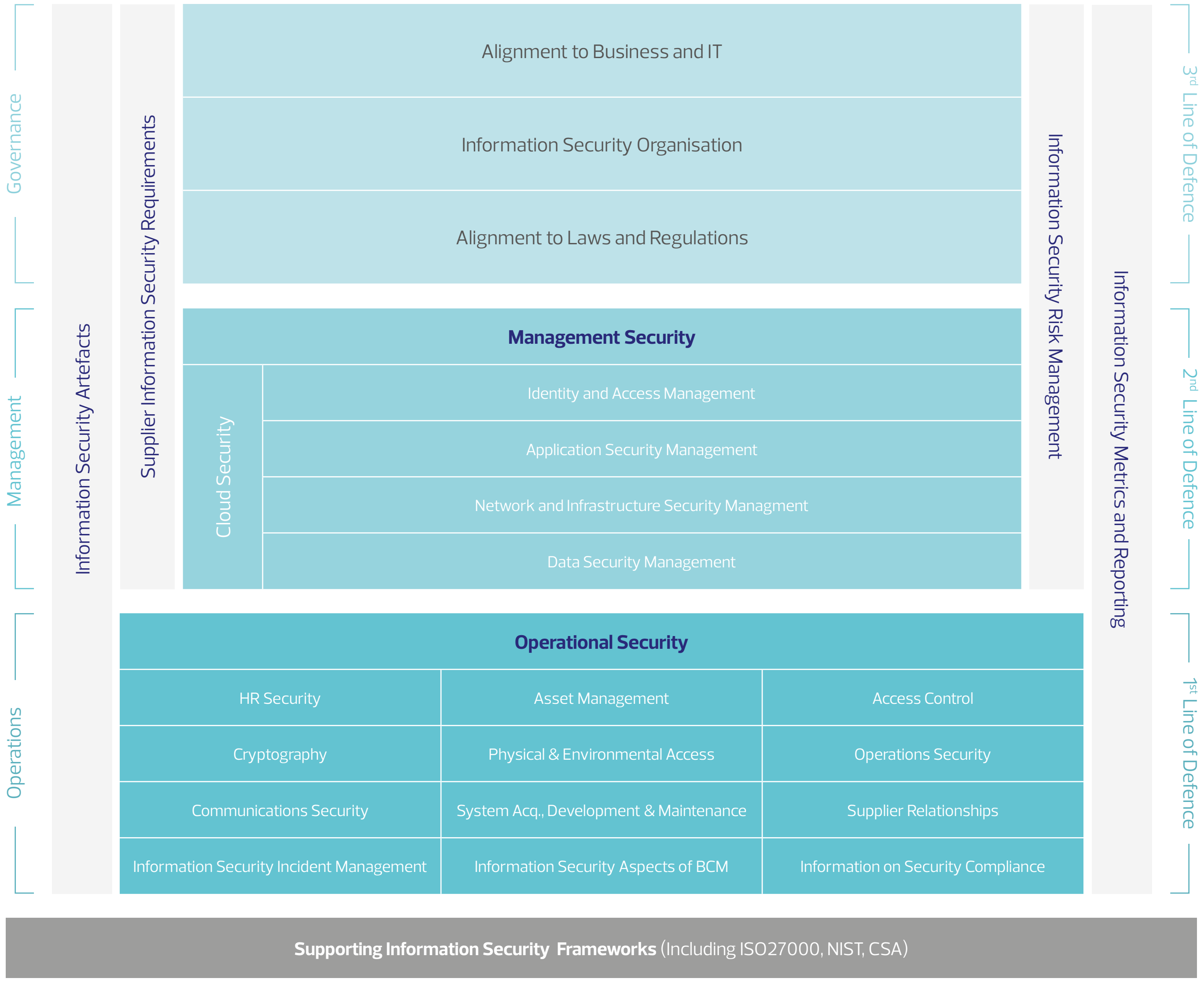
The Covid-19 lockdown prompted implementation of unplanned measures to enhance our information security with the generalization of the Work from Home. As such security controls were required to ensure that our users could connect safely from outside the office and collaborate efficiently with corporate tools.

During the lockdown period, the IT Department, in collaboration with Microsoft, implemented a Covid-19 Self-assessment chatbot. We aimed to contribute to the fight against this global threat by providing an online platform where Mauritian citizens could self-check whether they were potentially at risk. The chatbot either provided advice based on World Health Organization (WHO) guidelines, or where necessary, redirected an individual to the Mauritius Covid-19 Hotline for further assistance.

Corporate Governance Report

Information Security Governance

Information Security (IS) Governance is the system by which an organization governs, manages, and operates information technology. The diagram below highlights IBL Group's Information Security Governance Framework.



Objectives of the group IT Department for the year 2020-2021

- Information Technology Governance overview and charter – Aligning IT objectives with business objectives.
- Relocation of IBL Disaster Recovery Centre.
- Develop a group IT catalogue of services – to support Business Units with value added services.

Remuneration policy

There are no established policies for remunerating Executive Directors approaching retirement. This will be determined by the Board as and when required.

Non-Executive Directors' fees consist of a fixed fee and an attendance fee per meeting. Any changes to Directors' remuneration are submitted to the shareholders of the Company for approval at the annual meeting of shareholders.

The following table depicts the fees paid to Non-Executive Directors for their involvement in the Board and Committees during the year under review.

Directors	Board Fees (Rs)		Audit & Risk Committee Fees (Rs)		Corporate Governance Fees (Rs)		Strategic Committee Fees (Rs)		Total Fees (Rs)
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Jan Boullé	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	6,300,000
Martine de Fleuriot de la Colinière	200,000	240,000	Nil	Nil	Nil	Nil	Nil	Nil	440,000
Isabelle de Melo	299,997 [*]	160,000	45,000 [*]	40,000	Nil	Nil	Nil	Nil	544,997
Pierre Guénant	400,000	200,000	Nil	Nil	Nil	Nil	60,000	100,000	760,000
Jason Harel	400,000	240,000	82,500 [*]	90,000	Nil	Nil	Nil	Nil	812,500
Benoit Lagesse	200,000	200,000	Nil	Nil	Nil	Nil	Nil	Nil	400,000
Hugues Lagesse	200,000	240,000	Nil	Nil	Nil	Nil	Nil	Nil	440,000
Jean-Pierre Lagesse	200,000	240,000	Nil	Nil	Nil	Nil	Nil	Nil	440,000
Thierry Lagesse	200,000	200,000	60,000	30,000	35,000	5,000	30,000	35,000	595,000
Gilles Michel	400,000	240,000	Nil	Nil	55,000	45,000	30,000	40,000	810,000
Maxime Rey	200,000	240,000	60,000	70,000	Nil	Nil	Nil	Nil	570,000
Jean Ribet	200,000	200,000	Nil	Nil	35,000	15,000	30,000	45,000	525,000 [**]
San T. Singaravelloo	49,998 [*]	80,000	22,500 (*)	15,000	Nil	Nil	Nil	Nil	197,498

[*] Fees paid on a pro-rata basis
[**] Fees paid to BMH Ltd

Notes:

1. Fixed fees refer to annual fees and variable fees to attendance fees, paid per meeting attended.
2. Jan Boullé is the full-time Non-Executive Chairman of the group and is paid an annual fee of Rs 6.3m. He did not receive any attendance fees or committee fees for the year under review and no fees were paid to him for attending meetings of the group's subsidiaries or associate companies. These fees are instead paid to IBL Ltd.
3. Arnaud Lagesse and Jean-Claude Béga are Executive Directors. They received no fees for attending IBL's Board or Committee meetings nor for attending meetings of subsidiaries or associate companies of the group. These fees are instead paid to IBL Ltd.

Corporate Governance Report

The Corporate Governance Committee of IBL Ltd has also approved an annual fixed fee of Rs 150,000 and an attendance fee of Rs 10,000 per meeting for Marc Freismuth, the Chairman of the Remuneration Sub-committee. No fees are paid to Jean Ribet and Jan Boullé for attending the Remuneration Sub-committee meetings.

Long-term incentive scheme

A long-term incentive scheme is in place and is targeted to eligible Executives having more than 10 years of service and employed on a full-time, permanent basis by the Company or by any subsidiary of the Company. This scheme is a phantom share award scheme, which is overseen by the Corporate Governance Committee. The objectives of this scheme include:

- Creating a reward mechanism that supports achievement of value creation and growth objectives of the Company in the long run.
- Strengthening the ability of the organisation to attract and retain executive talent.
- Strengthening the sense of alignment of interests between executives and shareholders.
- Raising the profile and reputation of the IBL Group by taking a leading position in employee value propositions for executives in the Mauritian market.

Short-term incentive scheme

The short-term incentive scheme, also referred to as performance bonus, has been improved and by putting forward the personal performance of the Executives, the group and Company's profitability. Additional details are available in the Human Capital Report of the Integrated Report.

RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of internal control and risk management. While the Audit and Risk Committee oversees the group's risk governance and internal controls, the nature of the risks facing IBL and the group's risk appetite remain the ultimate responsibility of the Board.

The Board is also responsible for:

- Ensuring that structures and processes are in place to effectively manage risks;
- Identifying the principal risks and uncertainties that could potentially affect the Company and the group;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls;
- Identifying any deficiencies in the internal control system; and
- Ensuring that whistle-blowing rules and procedures are in place.

IBL's risk governance and internal control framework is guided by the COSO framework.

To assist the Board in its duties, the day-to-day management of risks has been delegated to IBL's Head of Risk Management whose main responsibility is to drive, support and coordinate risk management activities throughout the group and in line with its strategic objectives. The Head of Risk Management regularly reports, at least on a quarterly basis, to the Audit and Risk Committee on the group's risk environment.

Risk management activities and the risks potentially threatening IBL this year are explained in the section "Risk Management". There are no identified risks which threatens the solvency and liquidity of the organisation.

Risk Management Report p. 94

REPORTING WITH INTEGRITY

The Directors are responsible for preparing an annual report and financial statements in accordance with applicable laws and regulations. Company law further requires the Directors to prepare financial statements for each financial year in accordance with International Financial Reporting Standards.

The Directors are also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy and at any time, the financial position of the Company and the group. The Directors have the duty to safeguard the assets of the Company and the group and for taking reasonable steps to prevent and detect fraud and other irregularities.

Information regarding IBL's financial, environmental and performance outlook have been disclosed further in the sections "Strategy" and "Performance".

Strategy Report p. 58 and Performance Report p. 108

AUDIT

Internal audit

Financial year 2019-2020 has been an inspiring year in the establishment of the internal audit function. With the set-up of the team and the appointment of the co-sourcing internal audit partner, PwC, the focus was to address the main risks that Senior Management and the Board have pointed out and as part of the audit plan approved by the Audit and Risk Committee. PwC has participated to add value to the function by bringing insights and experience through their wide portfolio of clients locally and internationally. The reporting has remained unchanged, that is it reports functionally to the Audit and Risk Committee and administratively to the Group Head of Corporate Services of IBL Ltd.

As part of our role and our mission, internal audit acts as the third line of defence. The three lines of defence are described in the Risk Management Report of the Integrated Report. Internal audit is driven to give an independent assurance to Senior Management and the Board on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes. Internal Audit assesses both the effectiveness of the risk management framework as well as the control environment. Remediation is ensured through an effective and a systematic online tracker that allows the owners to monitor the implementation of controls and the improvement of the control environment. The effectiveness of the risk management framework of selected functions across the clusters are assessed where areas of relative weakness and areas requiring improvement are highlighted. Internal audit approach and methodology are guided by the International Professional Practices Framework, prescribed by the Institute of Internal Auditors as well as the applicable principles and guidance notes established by the National Code of Corporate Governance for Mauritius.

Risk Management Report p. 94

Digitalisation and team capabilities

Digitalisation and agility are drivers to achieve our roadmap. An online resolution tracker is in place and allows real time monitoring of the resolution process. The implementation of an internal audit management software has been considered that will allow the team agility to grow exponentially. New areas of expertise are a live subject. Regularly assessing those needs with respect to the growing risk universe helps to maintain a balance between providing the right service but as well to consolidate the establishment of the internal audit function. The Head of Internal Audit is a Chartered Certified Accountant, Certified Internal Auditor and Information System Auditor and a Certified Fraud Examiner.

Covid-19 impact on the internal audit function

The cross sharing with the risk management function has been influential. Our established risk based internal audit approach uses the elements of the risk universe which is impacted by the current unprecedented situation being faced by the country with Covid-19. With the advent of Covid-19, new items have cropped up in the risk universe and some of these items have been or will be scoped in during the financial year to replace earmarked auditable areas. In this context, our approach to render the planning as flexible as possible based on risks that are popping up are elements that will be consolidated in the coming years. A few information system audits were postponed and will be carried out during financial year 2020-2021.

The approved annual plan covers both internal audit and information system audits. In terms of resources, the audits are both carried out by both the inhouse team and an outsourced team. 28 internal audit engagements have been carried out which included 3 information systems audits. The commented reports were duly submitted to the respective Audit and Risk Committees where the main risks and audit findings were discussed. The split per cluster and audit types are shown in figures 1 and 1.1.

There has been no restriction imposed on the Internal Audit Function to have access to records, management, or employees of IBL Ltd and its operations.

INTRODUCTION | WHO WE ARE | LEADERSHIP | STRATEGY | PERFORMANCE | STATUTORY DISCLOSURES | FINANCIAL STATEMENTS | ANNEX | SHAREHOLDERS' CORNER

Corporate Governance Report

Diagrammatic representation of internal audits carried out at IBL's clusters

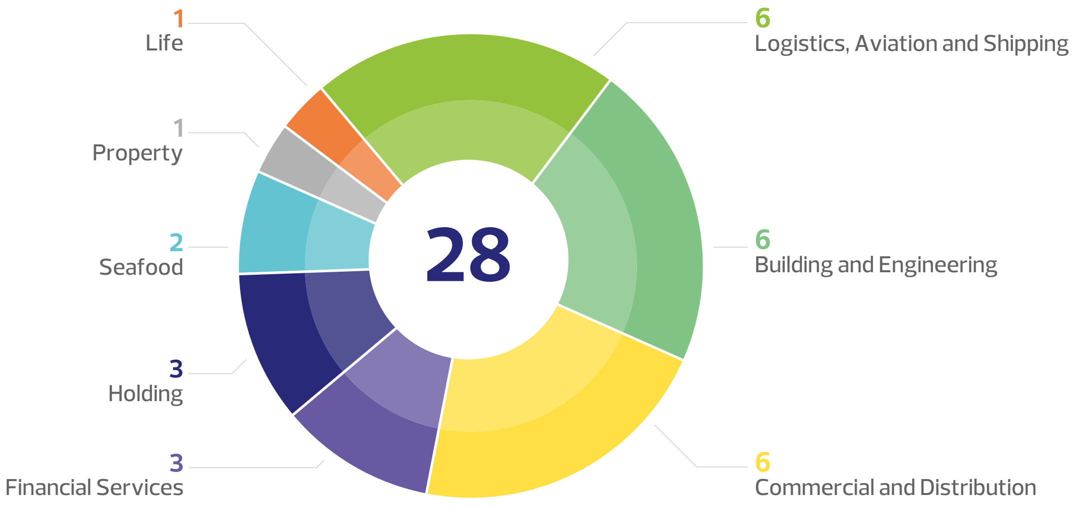


Figure 1 – Cluster analysis per internal audit engagements

Figure 1.1 – Split between internal audits and information system audits

External audit

At the last Annual Meeting of Shareholders, Messrs. Ernst & Young have been automatically reappointed as external auditors. In accordance with Section 200 of the Companies Act 2001, the automatic re-appointment of Messrs. Ernst & Young for the year ending 30 June 2021 shall be considered at the Annual Meeting of Shareholders.

With regard to external audit, the Audit and Risk Committee is responsible for, *inter-alia*:

- reviewing the auditors' letter of engagement;
- reviewing the terms, nature and scope of the audit; and its approach;
- ensuring that no unjustified restrictions or limitations have been placed on its scope;
- assessing the effectiveness of the audit process.

The external auditors have direct access to the Committee should they wish to discuss any matters privately. During the financial year 2019-2020, the external auditors met the members of the Audit and Risk Committee outside the presence of management.

Auditors' independence

The Audit and Risk Committee is responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements; and for maintaining control over the provision of non-audit services.

The external auditors are prohibited from providing non-audit services which might compromise their independence by requiring them to subsequently audit their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Audit and Risk Committee. Audit fees are set in a manner that enables an effective external audit. Auditors should ensure that they observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

IBL's key stakeholders

The diagram illustrates the key stakeholders of IBL.

Stakeholders' engagement

IBL's engagement with its shareholders and various stakeholders is detailed in the section "Strategy" of the Integrated Report.

Strategy Report p. 58

Communication with shareholders

IBL recognises that good communication with its shareholders is core to any good governance platform and is committed to regular and proactive communications with its shareholders. The Board thus ascertains that, at all times, there is sufficient disclosure of information to its shareholders so that they are kept fully informed of any information relating to the Company which is necessary to enable them to be appraised of the position of the Company. Any major announcement in relation to the activities of the Company, interim quarterly financial statements or abridged audited annual financial statements, as required by the Listing Rules and the Securities Act, are disclosed to the shareholders in a timely manner and posted on IBL's website.

Shareholding profile

The Company's stated capital is made up of 680,224,040 ordinary shares and 1,510,666,650 restricted redeemable shares.

As at 30 June 2020, 12,563 shareholders were recorded in the Company's share register.

Corporate Governance Report

Substantial shareholders

The table below highlights IBL's shareholders who hold 5% or more of the ordinary shares as at 30 June 2020.

Name of shareholder	Percentage holding (%)
Espérance et Compagnie Limitée	10.8277
Société Portland	7.3799
Swan Life Ltd	6.7845

Shares in public hands

In accordance with SEM's Listing Rules, the percentage shareholding of IBL in public hands is more than 25%.

Restricted redeemable shares

GML Ltée is the holder of 1,510,666,650 restricted redeemable shares ("RRS"), representing 68.95% of the voting rights. The restricted redeemable shares are not listed and the only right attached to these shares is the power to vote at general meetings. GML Ltée has no right to dividends or distribution or to any surplus from the Company in case of winding up.

Dividend policy

The Company does not have any predetermined dividend policy and the dividend payout is subject to the performance of the Company. An interim dividend is normally declared in November and paid in December and a final dividend is declared in May and paid in June.

For the year under review, an interim dividend of Re 0.22 per share was paid to the shareholders of IBL in December 2019 and a final dividend of Re 0.39 in July 2020. Total dividends for the year amounted to Re 0.61 per share (2018-2019: Re 0.77), representing a drop of 21%.

Shareholders' agreement

There exists no Shareholders' Agreement to the knowledge of the Directors.

Calendar of forthcoming shareholders' events

One of the most important shareholders' related events of the year is the Annual Meeting. This meeting allows the Board of Directors to communicate to the shareholders up-to-date and detailed information on the activities of the Company for the year under review and future projects or developments for the year ahead. The shareholders are therefore encouraged to attend the Annual Meeting and discuss with the Directors.

The external auditors also attend the Annual Meeting and are available to respond to queries which the shareholders may have with regard to their scope of work.

Jan Boullé
Chairman of the Board of Directors

Isabelle de Melo
Director

3 December 2020

Strategy

Interview with the Group CEO

9 min

DURING THE PAST YEAR, COVID-19 HAS DISRUPTED SUPPLY CHAINS AND ENTIRE ECONOMIC SECTORS WORLDWIDE, WHILE FUNDAMENTALLY CHANGING THE WAY WE LIVE AND WORK. HOW HAS THIS AFFECTED IBL? HOW WAS THE GROUP PERFORMING PRIOR TO THE PANDEMIC?

IBL performed well for the first nine months of FY2020. During this period, we continued to successfully implement our strategy and were preparing for a strategic review to take us into our next phase of growth and development. A number of our businesses, including our Hospitality & Services cluster for example, were on track for a record year.

Despite the strength of these results, the Covid-19 pandemic began to have an impact on our performance early in the calendar year. From February onwards, as the pandemic gathered pace worldwide, we saw an increase in hotel booking cancellations that affected our Hospitality operations. By late March, Mauritius had closed its own borders and the island went into lockdown.

The initial lockdown period was hard on IBL's businesses and our people alike. Our Hospitality & Services and Building & Engineering clusters were the most severely affected, with activities including our hotel business, The Lux Collective, forced to temporarily close. We also had to delay several major investment projects, such as the redevelopment of LUX* Grand Baie and the launch of our new SOCIO hospitality brand, and cancel others altogether, including our acquisition of General Construction, the leading construction company in Mauritius. Our Property cluster also witnessed a considerable decline in sales to foreigners, while our air logistics business suffered from disruptions to imports and exports.

On a financial level, our revenues declined 6% to Rs 36.8bn (FY2019: Rs 39.1bn), with profit from operations dropping to Rs 453m (FY2019: Rs 2,211m), and the group reporting an overall loss before tax of Rs 1,267m versus a profit before tax of Rs 1,762m in FY2019.

HAVE ANY NEW OPPORTUNITIES EMERGED FROM THE CRISIS?

The past few months have demonstrated IBL's resilience. We have successfully adjusted to new market realities and new ways of doing things despite very challenging circumstances. In particular, our Commercial & Distribution, Agro & Energy, Financial Services and Seafood clusters all responded positively and performed commendably throughout the crisis and in its aftermath, thanks to our exceptional team members.

IBL's people have been at the heart of this response. Despite the physical distance between them during lockdown, our teams have been engaged, innovative and collaborative. They have proactively sought solutions to the challenges we faced, quickly putting new ideas and work methods into practice. Many of IBL's people even joined forces with the frontliners working to contain Covid-19 in Mauritius. I am very proud of and humbled by their altruism and energy. This is the real meaning of "IBL Together".

WHAT ACTIONS HAS IBL TAKEN IN RESPONSE TO THE PANDEMIC?

From the start, our priority has been to protect our teams and stakeholders while managing the impact of Covid-19 on our businesses and planning for recovery.

IBL anticipated a worldwide pandemic early in 2020, following signs that the virus was likely to become a global health emergency. With assistance from Ernst & Young and McKinsey, we modelled various scenarios to assess the potential evolution of the virus and its impact on our group. Since then, we have continuously reassessed our risks and reviewed our business continuity plans to ensure they are fit for purpose.

We also reinforced our Safety & Health measures and expanded our flexible working and Work-from-Home policies to ensure we could keep our people safe while continuing to serve our customers and clients at a distance.

As a result, we were able to quickly trigger our crisis management procedures when Mauritius went into lockdown in March 2020. Our Crisis Committee consists of executives from across various teams, from IT and Communication to Human Capital and Risk, and continues to meet weekly to expedite group-wide decisions. We have also brought team members from across different operations and industries together in working groups to coordinate our responses to shared challenges.

Interview with the Group CEO

Immediately after the lockdown was announced, we reorganised our activities to ensure we could continue to provide essential services to the Mauritian market without jeopardising the safety of our teams or customers. This meant adopting new ways of working at our retail outlet Winner's, wholesaler BrandActiv, Healthcare Operations (MedActiv and HealthActiv), cleaning and sanitising agent producer Blychem, and logistics businesses Logidis and Somatrans.

On a financial level, we took immediate steps to conserve cash and limit our overheads, with IBL's management teams taking voluntary pay cuts and certain staff benefits temporarily reduced or suspended. We also centralised our forex management and continued to closely monitor our operational budgets and working capital.

We have consistently engaged with our banking partners and the Mauritian Government to ensure their support and access national assistance schemes, particularly for our Hospitality & Services cluster. Despite generating little to no revenue in the final quarter of FY2020, our hotel business was therefore able to retain all of its staff.

As a group whose vision is to create a brighter future for all, we are aware of the devastating impact that the pandemic has had on our community, and we are working hard to alleviate the hardship it has caused. Soon after the outbreak, IBL launched two specialised testing centres outside major hospitals and developed an online HealthBot to help internet users identify potential cases of the disease, while also creating a fund to assist IBL team members affected by the crisis. IBL Operations including Winner's, PriceGuru.mu and QuantiLab also pivoted their activities to provide essential services and support national strategies to contain Covid-19, for instance by assisting the Government with the provision of food packs and specialist testing.

Finally, Fondation Joseph Lagesse and our group's other CSR entities sprang into action to donate food and essential items to front-liners and those most at risk.

WHAT IMPACT HAS THE CRISIS HAD ON IBL'S STRATEGY?

Though Covid-19 has led to major shifts in demand and consumption worldwide, it has also confirmed the soundness of IBL's diversification strategy. In the immediate future, we will therefore continue to pursue our strategic priorities of investing in Mauritian growth sectors while focusing on regional and international expansion. The crisis has also demonstrated the importance of continuing to invest in our people, digital transformation, and sustainability.

Human Capital

We are keenly aware that our group's ability to quickly and flexibly respond to new patterns of demand and adopt new technologies depends on attracting, retaining and upskilling a diverse talent pool. Over the past year, IBL therefore refreshed its Human Capital strategy to strengthen recruitment, onboarding, training and remuneration, building up our leadership skills and the capabilities that we need to remain competitive in the future. Our Human Capital report explains our approach in more detail.

Human Capital Report p. 76

Digital Transformation

The Covid-19 pandemic has accelerated the shift towards digital technology in many sectors, from financial services to healthcare and distribution, completely transforming business processes and ways of working. We are seeing new, digitally-enabled opportunities emerge, with retail supermarket Winner's and pharmacy chain MedActiv launching and expanding their e-commerce platforms, QuantiLab laboratory business now actively working with the national Government to carry out Covid-19 testing, and CIDP, our clinical research facility, starting to provide teleconsultations.

For IBL, this is a chance to fast-track our digital transformation and explore new digital opportunities, in addition to rethinking how we work. This year, we notably appointed a Group Head of Technology and Sustainability to spearhead our digital transformation strategy and created a new technology investment company, IBL Link, to rationalise our portfolio of digital ventures.

Digital Transformation Report p. 83

Sustainability

The pandemic has revealed the fragility of the world's economic and health systems. As one of the largest businesses in Mauritius, we have a responsibility to support those most in need and help create a more inclusive, sustainable future for our country. IBL is currently in the process of defining a group-wide sustainability approach. We are actively developing circular economy business models while seeking to minimise our social and environmental impact. We have also now created IBL Energy to capitalise on opportunities in the renewable energy sector.

For the first time this year, we are reporting on our activities using both the United Nations Sustainable Development Goals and the GRI standards, the world's most widely used standards for sustainability reporting. As both a Participant in the UN Global Compact since 2017 and a Founding Member of the Global Compact Local Network (Mauritius), I am pleased to reaffirm our group's support to the ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Sustainability Report p. 86

This year marks Fondation Joseph Lagesse's 15th anniversary. Despite the challenging context for CSR funding in Mauritius, we strongly believe that our CSR activities are integral to our sustainability strategy and to the wellbeing of our community. Going forward, we aim to reposition the Fondation as a capacity-building entity that will help IBL Operations develop and deliver their individual CSR strategies.

CSR Report p. 91

GIVEN THE CHALLENGING DOMESTIC AND INTERNATIONAL CONTEXT, WHAT ARE IBL'S PROSPECTS IN THE SHORT-TERM?

While new Covid-19 vaccine candidates offer hope for the future, it is extremely difficult to predict the pandemic's evolution in FY2021. Mauritius' economic prospects depend in part upon the resumption of international travel and the recovery of our tourism industry. Our inclusion on the EU blacklist and FATF grey list is an additional concern and could potentially damage Mauritius' financial services sector. I am hopeful that we will soon be able to exit both lists.

In the immediate future, our priorities are to protect our people and other stakeholders from the impact of the pandemic, maintain rigorous financial controls, and keep our operations running with as little interruption as possible. The lack of visibility will require considerable agility from our management and teams. We will need to take a proactive and flexible approach to decision-making while continually monitoring the pandemic's evolution and changes to our operating environment. In the coming year, we also intend to assess and refocus our group strategy.

However, despite the prevailing economic headwinds, and with the exception of our travel and tourism-related activities, many of our businesses are already showing signs of recovery. We are also seeing new regional and international opportunities emerge, particularly on the African continent, and opened a new Marine Biotechnology Products factory in Ivory Coast in February 2020. Though ongoing border closures and international travel restrictions are affecting hotel businesses worldwide, The Lux Collective is also actively developing new commercial offers and targeting domestic markets to drive occupancy, particularly in China. We will continue to explore these opportunities in the coming year while positioning our hotels for the tourism sector's revival.

I therefore firmly believe that IBL will come out of this crisis as a stronger and more agile group.

ACKNOWLEDGEMENTS

This year more than ever, I would like to thank IBL's team members for their engagement and resilience despite the very difficult context. The way that our people have come together in the past few months to help their colleagues, clients and community speaks volumes about their patriotism and empathy, and about IBL's culture and values.

I am also grateful to IBL's Chairman, Jan Boullé, and to our Board of Directors for the support and advice they have provided to the executive team since the start of the crisis.

I hope this message finds all of our stakeholders safe and well.

Arnaud Lagesse

Group Chief Executive Officer

Macroeconomic Context

Major market trends	Impact on our business	Link to group strategic pillars	Link to main group risks	How we are responding
The Covid-19 pandemic has created economic and social turmoil worldwide. In addition to causing a major slowdown in travel and trade, distortions to supply chains and interruptions to capital flows, it is currently forecast to cause a severe global recession. In Mauritius, a 13% contraction in GDP is expected for FY2020 alongside rising unemployment and a decline in household disposable income.	Significant impact on the following clusters: · Building & Engineering (20% YOY contraction forecast for Mauritian construction sector) · Hospitality & Services (closure of all hotels during lockdowns in Mauritius and internationally, and 70% YOY contraction forecast for the Mauritian tourism sector) · Property – BlueLife (decline in property sales to foreigners and in tourism rentals) · Logistics – Aviation (disruption to imports and exports) Least impact on: · Agro & Energy · Commercial & Distribution · Seafood · Life & Technologies · Logistics (Shipping)		1, 2, 4, 5, 7, 9, 11, 13, 14, 15	IBL's robust risk and crisis management frameworks allowed the group to swiftly respond to the threat of the Covid-19 pandemic. The crisis has made it clear that IBL's sectoral and geographical diversification is a significant strength. It has also demonstrated the soundness of our ongoing efforts to invest in our people, our digital capabilities and our sustainability as a business. The outlook for 2021 and beyond remains uncertain. It is unclear how long the pandemic will last, how deep the resulting economic and social crisis will be, and what financial impact it will ultimately have on our group. It is likely that some of the new patterns of consumption that have emerged in the past few months will endure at least into the medium term. We will need to adapt our offering and way of working to these new customer needs and operational realities. Though this is a difficult time for our group, IBL is aware that it is an equally challenging time for our team members, customers and community. We have taken every care to protect and support our people and clients while providing assistance to the most vulnerable of our fellow citizens. p. 66
Changes to **the Mauritian fiscal framework** are creating an additional burden for businesses. Mauritius is no longer seen as a light-touch, fiscally stable environment. This represents a risk for the country's reputation and ability to attract global business.	Additional fiscal burden for all of IBL's Mauritian Operations in an already challenging environment, with knock-on effects for our group's financial health and ability to attract the right talent and foreign investment. Possible impact on our Commercial & Distribution, Financial Services and Property clusters if Mauritius becomes less appealing to international investors and brands.		5, 9	IBL actively participates in national debates regarding appropriate and proportionate fiscal policies and supports the maintenance of a stable fiscal environment that is attractive to foreign investors. IBL believes that this additional fiscal burden will represent a drain on Mauritius' economy overall, particularly at a time of reduced economic activity in the country. It may have the adverse impact of repelling current investors and prospects to more attractive jurisdictions. In the future, investment and divestment decisions will factor this component as a key parameter.
Regulatory changes: Mauritius has been placed on the FATF watchlist and EU blacklist, potentially impacting its competitiveness and its reputation as a credible International Financial Centre. It is also likely to make dealings with EU banks and customers and the receipt of foreign direct investment more difficult.	Significant impact on our Financial Services and Property clusters, which rely on international investment. Possible impact on our Commercial cluster if Mauritius becomes less appealing to international businesses and brands.		3, 4, 5, 9, 11	For the past decade, Financial Services cluster has been working with its global business clientele to encourage them to diversify geographically and adjust their business models. Our aim is to turn this risk into an opportunity. IBL also continues to work with national authorities to shape new legislation that meets FATF standards and addresses current weaknesses in Mauritius' financial system.
Digital evolution: Opportunities and challenges presented by constant technological innovation, including the rise of e-commerce and remote working as well as changes to customer expectations, all amplified by the effects of the Covid-19 pandemic.	Digital transformation is driving rapid change in companies across all of IBL's clusters. Covid-19 has accelerated the use of digital services across the group and required companies to adapt their business models and integrate new technologies more rapidly than ever before. New opportunities for digital innovation have also emerged, particularly in our Commercial and Financial Services clusters.		2, 14, 15	IBL deployed a Digital Transformation Strategy in FY2017. We recognise that if we are to remain competitive, we must proactively upskill our team members, integrate innovative new technologies and evolve our products and services to reflect the expectations of customers who are increasingly digital natives. The Covid-19 pandemic has accelerated IBL's Digital Transformation and brought a host of new competitors online, requiring us to rapidly complete our transition to flexible and remote working, find new ways to remotely engage with colleagues and stakeholders, and innovate on our offer to continue to create value for our customers. Going forward, we will seek to respond to the new opportunities and customer needs that are emerging in the post-Covid-19 landscape, while using technology to improve efficiency and minimise costs. p. 83
Sustainability: Events such as the Covid-19 pandemic and United Nations Climate Change Conference COP 25 have created increasing awareness of environmental and social challenges. Companies are increasingly expected to act upon issues related to climate, water, packaging, poverty etc. These are therefore becoming key issues for Boards and investors.	Increasingly a reputational concern and an operational risk, especially given our headquarters in a Small Island Developing Nation that is highly vulnerable to climate change.		2, 5, 10, 12	IBL actively works to ensure that our growth is sustainable. We seek to manage our economic and social impact while developing innovative new business models based on circular economy principles. The Covid-19 pandemic has sharpened our focus on food security, sustainable energy production and the promotion of the local economy. We have notably created a new Energy cluster to centralise our work on renewable energy production. p. 124

Main risks

1. Tourism performance
2. Pandemic
3. FATF watchlist
4. Foreign currencies
5. Government policies
6. Industry performance
7. Forex fluctuations
8. Sugar cluster performance
9. Market concentration
10. Sustainability of tuna stocks
11. Property sales performance
12. Climate change
13. Volatility of commodity prices
14. Cybersecurity threats
15. Technology efficiency

IBL's Covid-19 Response

In February 2020, as the Covid-19 crisis gathered pace and it became clear that IBL's activities would be impacted, our group swiftly activated its crisis management arrangements. We took immediate measures to keep our business running without interruption while protecting our team members, clients and other stakeholders.

Ensuring our group's continuity

- Prior to the lockdown in Mauritius, IBL carried out scenario planning to model Covid-19's impact on the group, with support from McKinsey and EY. This allowed executives to assess IBL's risk and review strategy in a fast-evolving and uncertain context.
- Creation of a Group Crisis Committee including Corporate Centre executives from the Risk, IT, Safety & Health and Communications teams. The Committee held a few meetings between March and November 2020 in order to expedite group-wide decision-making.
- Two non-scheduled Board meetings held to approve key decisions and ensure Directors had oversight of IBL's evolving response and financial situation.
- Group companies replicated these responses at Board and management level to manage the impact on their individual business. The Corporate Centre also worked closely with their Boards and management teams to help them respond to the crisis.
- Thematic working groups on topics including Healthcare, Seafood, the EU Blacklisting etc. brought together Corporate Centre and Operational staff to address key challenges, coordinate responses and exchange best practice.
- Strict cashflow management and cost-cutting measures including:
  - A group Forex conversion policy overseen by the Corporate Centre
  - The suspension of all unnecessary capital expenditure
  - Careful management of operational budgets
  - Voluntary temporary salary reductions of up to 15 percent in the Corporate Centre and among Operations' management teams
  - The temporary reduction or suspension of other staff benefits
- Risk profiles and risk management protocols updated in Corporate Centre and Operations.
- New IT controls implemented to support the group's Work-from-Home protocols and enable staff to engage with customers, suppliers and partners remotely. Certain processes such as payroll were digitised to ensure business continuity.
- Cybersecurity measures enhanced to manage the increased risk associated with remote working.

Supporting our teams

- Operational and safety & health protocols activated to keep teams safe during pandemic, including:
  - Work-From-Home protocols for all employees ahead of the lockdown in Mauritius
  - Safety & health awareness training
  - A deconfinement protocol for our Corporate Centre (replicated across Operations) that included:
    - Social distancing
    - Temperature checks
    - Use of masks or face shields
    - Use of hand sanitiser
- Extensive internal communication campaigns to clearly communicate group decisions and safety & health measures, and to boost staff morale during lockdown.
- Remote learning opportunities provided to staff during lockdown in Mauritius.
- Creation of a Counselling and Support Team and provision on online psychological support (including mindfulness training sessions) to help staff cope with the impact of the Covid-19 lockdown.

Human Capital Report p. 76

Supporting our clients and customers

- Implementation of protocols to keep customers safe post-lockdown, including the installation of Plexiglas cashier shields in retail spaces.
- New sanitising tunnels developed by Blychem for use at the entrance of commercial areas.
- E-commerce initiatives including new delivery services to guarantee clients' safety and convenience:
  - Winner's and PriceGuru.mu pivoted their business model to deliver basic food packs in partnership with the government
  - Alalila allowed individuals and businesses with work permits to book taxis online
  - PhoenixBev introduced a beverage delivery services
  - Espace Maison launched a Drive-in Click & Collect service
  - MedActiv enabled clients to upload prescriptions online and collect at the pharmacy of their choice, and also created an online shop for health and beauty products
- IBL businesses seeking to responding to new consumer trends and shifts in demand as well as new ways of delivering products and services online.

Cluster Review p. 120

Supporting our community

- Operations provided essential services to vulnerable community members during lockdown:
  - Food packs and homemade face masks given to those in need in the community, as well as to medical and police teams
  - PriceGuru.mu added food packs for the elderly to its marketplace in the first few weeks of the lockdown
  - Seafood sector distributed 18,000kg of fish via NGOs and neighbourhood associations
- Sponsored 2 Covid-19 Testing Centres outside major hospitals
- Developed a free online HealthBot to help internet users identify possible Covid-19 symptoms based on predefined questions
  - Extensive communication campaigns online via social media and in the press to share information about Covid-19 and its transmission and promote responsible behaviour
  - IBL leaders took part in national forums and committees to help shape Covid-19 policy responses and community support initiatives

CSR Report p. 91

Business Model

The inputs we need to create value

Human Capital

A talented, committed and diverse workforce made up of 25,205 team members who work in our Corporate Centre and across our clusters, delivering excellent service and customer experiences.

Human Capital Report, p. 76

Social and Relationship Capital

A strong reputation that allow us to create positive, sustainable and trust-based partnerships with our Stakeholders.

Stakeholder's Report, p. 70

Natural Capital

A wide range of natural resources used as efficiently and sustainably as possible in our operations.

Sustainability Report, p. 86

Financial Capital

Substantial liquidity reserves and a strong balance sheet among other financial resources.

CFO's Report, p. 110

Intellectual Capital

World-class expertise in a wide range of growth sectors as well as strong brands and our IBL Together culture.

Cluster Review, p. 120

Manufactured Capital

A wide variety of physical assets (buildings, equipment, vehicle fleets and infrastructure) used in our operations.

Cluster Review, p. 120

Our value chain

A robust governance structure, including an independent, diverse Board of Directors with committees that oversee the group's strategy, risk management and financial health.

Growth enablers   Strategic pillars

The value we create for our stakeholders

Stakeholder's Report, p. 70

IBL team members

- Working towards becoming a Great Place to Work
- Providing opportunities for professional and personal development
- Promoting diversity and inclusion across the group
- Safeguarding their safety and health

Human Capital Report, p. 76

Clients and customers

- Offering trusted brands
- Creating outstanding customer experiences including via our wiiv loyalty programme

Digital Transformation Report, p. 83

Communities, NGOs, vulnerable populations and families

- Enhancing livelihoods and giving back to the communities we work in

CSR Report, p. 91

Investors and Shareholders

- A commitment to delivering profitable and sustainable growth

CFO's Report, p. 110

Government, regulatory and institutional bodies

- Working in close collaboration to shape national policy responses and contribute to the social and economic development of the places we work

Suppliers

- Building constructive working relationships by embracing behaviours that enhance trust and goodwill

How we Engage with our Stakeholders

Stakeholders	Key issues/expectations	Objectives for 2019-20	How we engaged this year	Why we engage	Priorities for the coming year and the medium-term
IBL team members Human Capital Report, p. 76	· Opportunities for personal and career development · Meaningful work · Communication and knowledge-sharing regarding the group's activities and strategy · Involvement in decision-making · Support from IBL management and Corporate Centre functions in implementing group policies (Operations) · Competitive remuneration · Fair labour practices · Ethical behaviour and responsible environmental and social practices · Occupational health & safety and wellbeing at work · Job security	· Restructure the Human Capital Department in line with ongoing Human Capital Transformation Project · Introduce flexible working scheme in Corporate Centre · Launch Talent Management Framework and IBL Leadership Brand · Implementation of People Online Platform (POP) · Creation of an annual talent review day across the group · Complete review of policies in IT and Human Capital Departments · Devise and implement a Non-Harassment Policy · Continue to improve Leadership Executive Acceleration Programme (LEAP) for senior executives across the group · Strengthen internal communication to ensure effective flow of information between Corporate Centre and group entities, including via relaunch of IBL internal newsletter	· Restructure underway · Flexitime policy rolled out across the Corporate Centre, alongside Work-from-Home protocols consolidated during the Covid-19 lockdown · Talent Management Framework and IBL leadership brand launched · Phase 1 of POP rolled out · Talent Review Day held · Created 10 new policies in the Human Capital Department and reviewed existing policies in IT · Non-Harassment Policy launched · Trade agreements renegotiated with trade unions · Improvement in communications: – Function-specific networks and forums developed (Human Capital, IT, Sustainability, etc.) – Creation of a group magazine and wiiv newsletter – Designation of IBL Together culture/values champions – Regular meetings held between IBL management, Operations management, and staff representatives – Employee focus group run in context of materiality assessment – Annual Customer Satisfaction Survey conducted among staff	· Our people are our most important asset. Our ability to attract and retain top talent is the engine of our growth. Our people's views shape and enhance our decision-making.	· Continue to prioritise the health, safety and wellbeing of our employees in the context of the Covid-19 pandemic – precautionary measures, remote working and other forms of support. p. 78 · Introduce a leadership framework as part of performance reviews · Promote gender diversity and inclusion across the group via the IBL Group Gender Matters charter, guidelines and action plans · Improve awareness of sustainability issues among team members and share information about the work being done across the group · Continue journey towards providing an excellent employee experience and becoming an employer of choice / Great Place to Work · Continue to improve communication with team members, including via the IBL Group magazine launched in September 2020
Clients and customers Cluster Review, p. 120	· Service and product safety, quality and value, including via safety & health protocols · Ease of interaction, including prompt feedback and resolution of service or product-related issues · Transparent communication regarding group activities and decisions that affect clients · Fair and ethical trading practices including information privacy and data protection · Responsible environmental and social practices	· Launch of new mobile applications and e-commerce platforms · Continue to strengthen wiiv loyalty programme to offer additional benefits to members · Publish 2nd Communication on Progress (CoP) Report explaining the progress that IBL has made in implementing United Nations Global Compact principles	· New e-commerce platforms created e.g. Winner's grocery delivery service, MedActiv Order & Collect pharmacy service, IBL medical HealthBot · Regular communication via website, social media campaigns, public relations work and wiiv newsletter · Published 2nd CoP Report · Annual Customer Satisfaction Survey conducted among external clients and customers	· Our clients purchase our products and services, providing the basis for IBL's revenue growth. We aim to create client loyalty and provide the best service and value for money. Clients also increasingly prefer to purchase from socially responsible companies.	· Prioritise the health, safety and wellbeing of our clients in the context of the Covid-19 pandemic via precautionary measures and customer support · Deepen our commitment to sustainability by creating a range of eco-products and recycling initiatives in retail spaces. p. 88
Investors and shareholders Corporate Governance Report, p. 40	· A strategy for sustained financial growth, including defined risk and sustainability approaches · Economic leadership, awareness of best practices and innovation · Responsible allocation of capital · Sound corporate governance practices, including anti-corruption standards and ethical behaviours, and compliance with other regulation · Accurate information about performance and regular access to executive team	· Continue to improve how we report on Sustainability and embed integrated thinking across the group · Publish 2nd CoP Report to UN Global Compact	· Analyst meetings (2 held in 2019-20) and shareholders' meeting (held on 18 December 2019) · Quarterly earnings reports and investor presentations · Published transparent, complete integrated report and 2nd CoP Report · Regular press releases to communicate IBL's activities · Investors section of IBL website kept up to date · General communication regarding Covid-19 to inform and reassure investors about IBL's performance · Promotion of paperless communications in exchange for wiiv loyalty points	· To promote trust and provide transparency to those who allocate our financial capital.	· Continue to communicate about IBL's performance and activities in light of the uncertain and fast-evolving context · Reinforce our risk management processes to identify and manage emerging issues · Improve our reporting on sustainability and non-financial activities, including defining a sustainability roadmap 2020-23 · Promote sustainable innovation across the group · Continue to promote paperless communications

How we Engage with our Stakeholders

Stakeholders	Key issues/expectations	Objectives for 2019-20	How we engaged this year	Why we engage	Priorities for the coming year and the medium-term
Government, regulatory and institutional bodies Corporate Governance Report, p. 40 Risk Management Report, p. 94 CSR Report, p. 91	· Protecting consumer interests regarding service quality, costs · Ethical business practices, including fair labour practices, and compliance with national regulation including on health and safety · Opportunities for job creation and socioeconomic development, including via community investment · Contribution to the tax base · Private-Public Partnerships and input into budgets and policies	· Continue to engage in open, forthright dialogue with national authorities	· Participation in public policy forums and industry meetings, particularly in the context of Covid-19 · Member of national Safety & Health forum that includes government, trade unions, and the private sector · Partnering on various social programmes, including two Covid-19 Testing Centres and the donation/ distribution of essential food packs to vulnerable communities in Bois Marchand, Chemin Rail and Roche Bois. p. 93 · Regular reporting via monthly meetings on safety & health practices	· To reinforce our partnerships with the public sector and remain abreast of emerging regulatory issues. Achieving the SDGs also requires sustained collaboration between the public and private sectors.	· Continue to engage in open, forthright dialogue with national authorities to reinforce our relationships with them · Implement best practices to protect our employees and customers in the context of the ongoing Covid-19 crisis · Ensure that IBL is adequately represented in all relevant public-private forums and industry bodies · Contribute to national capacity-building efforts in vulnerable communities · Participate in consultations with regard to new policies (e.g. drug prevention) · Strengthen evaluation and monitoring of CSR projects to obtain funding from government agencies
Communities, NGOs, vulnerable populations and families CSR Report, p. 91 Sustainability Report, p. 86	· Transparency and involvement in decisions and initiatives that affect the local community · Ethical business practices including a clearly defined sustainability approach · Funding and other types of support (CSR, in-kind support, partnerships) · Positive and sustainable changes to vulnerable communities' livelihoods	· Develop indicators for all of Fondation Joseph Lagesse (FJL)'s programmes · Source alternative funding for community empowerment in the context of a challenging CSR environment · Improve the foundation's positive impact on vulnerable families' lives · Maintain Fondation Joseph Lagesse's commitment to young students completing their tertiary studies in Mauritius and overseas · Build community capacity	· Completed logic model for all FJL programmes · Funds obtained for FJL's ongoing programmes · Wide range of community initiatives to improve livelihoods and outcomes among vulnerable families · 7 young students completed their tertiary education · Emergency support provided to 160 families during lockdown period · Sustainability initiatives developed across the group and partnerships created with UNDP and Climate Launchpad	· To build trust by operating responsibly and sustainably, and addressing issues that are material for our communities. To provide support and opportunities to people from vulnerable communities.	· Restructure FJL to respond to funder expectations · Continue monitoring and evaluation of initiatives and develop research unit to better understand FJL's impact, target community needs and be able to request funding · Continue to improve positive impact of CSR programmes on vulnerable groups including via a literacy programme for children and adults, new afterschool activities for children and improving the quality of service in FJL's pre-primary education programme · Provide support to clean tech and green business entrepreneurs
Suppliers	· Transparent communication regarding the group and its activities, including about group tenders · Timely payment and fair terms · Clear and transparent selection criteria · Ethical business practices · Clear sustainability approach and responsible environmental and social practices	· Ensure suppliers conform to sustainable practices and have values that align with IBL's · Continue to implement procurement best practice · Identify shared procurement needs between group entities to ensure procurement synergies	· Regular communication and meetings to manage impact of Covid-19 crisis · Supplier forums and meetings · Ongoing site visits · Supplier ratings: creation of vendor management register within IT Department for recommended suppliers	· To create long-term, trust-based relationships with our suppliers; and to provide sustainable and environmentally responsible solutions to our customers.	· Continue to work with existing suppliers to maintain trust and relationships · Promote local suppliers in order to support the Mauritian economy · Take a leadership role in deploying innovative and sustainable solutions and seek to work with socially responsible suppliers

Group Strategy

Prior to the Covid-19 crisis, our group was focused on delivering the strategic plan announced in 2017-18. The pandemic's impact forced IBL to reconsider its operational and strategic priorities. We will revisit our strategic plan in FY2021 to better position ourselves for growth and renewal in the post-Covid-19 landscape.

Strategic pillars	Clusters impacted	Link to main group risks	Main capitals impacted	Major activities this year	Priorities for 2020-21
Strengthening IBL's Mauritian core	· Agro & Energy · Building & Engineering · Commercial & Distribution · Financial Services · Hospitality & Services · Life & Technologies · Logistics · Seafood · Property · CSR	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15		Appointment of new Group Head of Technology and Sustainability to drive the group's commitment to digital transformation and sustainable value creation Creation of a new Energy cluster and appointment of General Manager to capitalise on green energy-related opportunities p. 124 wiiv, Mauritius's first multi-partner loyalty programme, has gone from strength to strength, with 168,607 members as at October 2020 p. 85 Repurposing of production lines to manufacture essential items such as health devices and protective health equipment in light of Covid-19 pandemic Delay to launch SOCIO, a new urban hotel brand under The Lux Collective, to 2022 p. 136 Delay to launch LUX* Grand Baie due to Covid-19 lockdown to October 2021 p. 136 Completion of Victoria Urban Terminal, a major transit hub in Port Louis, has been delayed due to the Covid-19 related lockdown and procurement challenges. Now expected to be operational in Q1 2022 Expansion of CNOI shipyard ongoing Suspension of major investment projects including acquisition of General Construction due to impact of Covid-19 crisis p. 126	· Undertake a review of our group strategy with support from McKinsey, to be completed by Q1 of 2021 · Maintain an agile and flexible approach to strategy-setting and management while constantly reassessing our operating context risks and targets in light of today's very uncertain outlook · Continue to invest in and support IBL's people to ensure their continued resilience, engagement and performance · Provide ongoing support to the community via our CSR initiatives in what is likely to be a difficult year for our stakeholders · Continue to deliver on major projects as appropriate, with a particular focus on regional investments and development of new Energy and Life & Technologies clusters: – HealthScape medical centre at Forbach : Opening of radiology department expected for March/April 2021 – Tendering process for construction of Azuri Golf and Golf View residential development – Continue construction of Victoria Urban Terminal (expected delivery FY 2022) – Continue construction of CNOI shipyard extension – New Head of IBL Link named in Life & Technologies cluster to optimise IBL's investments in the technology sector – Closure of Alteo Refinery due to a decrease in available sugar; focus on production of specialty sugars in the future, in line with Mauritius' national strategy to increase production of these high value-added products
Regional expansion into the Indian Ocean & East Africa	· Agro & Energy · Building & Engineering · Commercial & Distribution · Financial Services · Hospitality & Services · Life & Technologies · Logistics · Seafood	1, 2, 4, 5, 6, 8, 9, 12, 13, 15		Work on new partnerships and business ventures ongoing in IBL's Nairobi office Discussions ongoing regarding Alteo's buyout of Transmara sugar operation's minority shareholders in Kenya	· Renewed focus on identifying partners with whom to invest in growth sectors and markets in the region · Increased focus on regional diversification and reduction of market concentration in Mauritian heart · Energy cluster: creation of a joint venture with renewable energy specialists Green Yellow to improve energy efficiency in Kenya
International expansion anchored in world-class professional expertise	· Hospitality & Services · Life & Technologies	1, 2, 3, 5, 9, 10, 14, 15		Opening of a new Marine Biotechnology Products factory in Abidjan, Ivory Coast Pipeline of new management contracts being developed by The Lux Collective, particularly in China, targeting domestic markets to drive occupancy in the context of ongoing Covid-19-related travel restrictions Cherbourg-based fish factory Nutrifish went into receivership in March 2020 Manser Saxon cease operations in Dubai	· Seek out international investment and partnership opportunities and renew focus on reducing market concentration in Mauritian heart

Main risks

1 Tourism performance
2 Pandemic
3 FATF watchlist
4 Foreign currencies
5 Government policies
6 Industry performance
7 Forex fluctuations
8 Sugar cluster performance
9 Market concentration
10 Sustainability of tuna stocks
11 Property sales performance
12 Climate change
13 Volatility of commodity prices
14 Cybersecurity threats
15 Technology efficiency

Actions

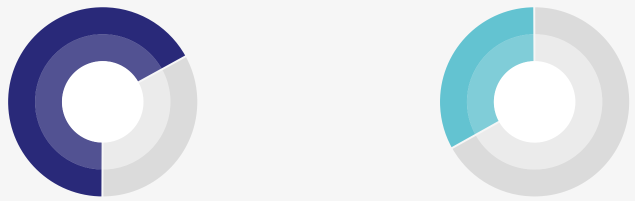
In progress
Achieved
Suspended

Human Capital

At a glance: Human Capital at IBL

IBL Group*

25,205
team members

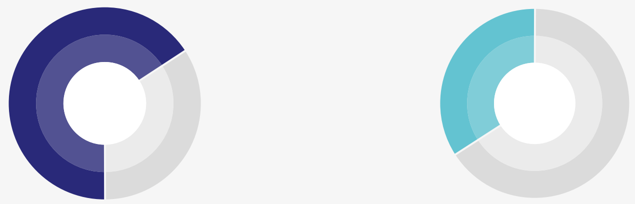


67% (16,870)
men

33% (8,335)
women

IBL Operations**

6,958
team members



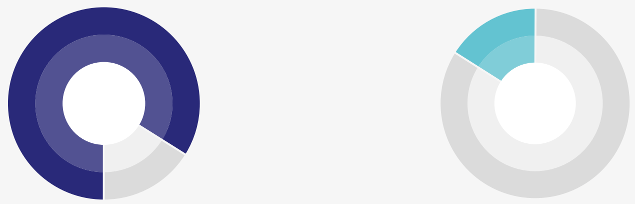
66% (4,616)
men

34% (2,342)
women

2 women on the IBL Board of Directors (14%)

10% of employees unionised (786 out of 7655)

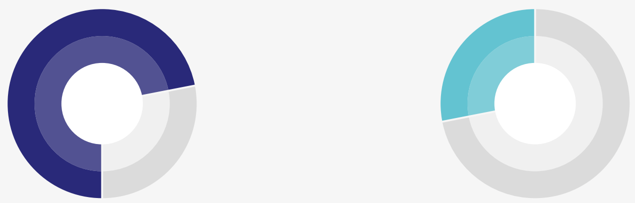
55
executives



84% (46)
men

16% (9)
women

327
managers



72% (237)
men

28% (90)
women

*IBL Operations, joint ventures, associates and subsidiaries
**Including Corporate Centre, Bloomage, Eagle Insurance and DTOS

Investment (MUR)

32m
invested in training and development in FY 2020

- Equivalent to 38,419 hours of training
- Benefitting 5,793 participants (3,248 employees in total)
- 55% men
- 45% women (1,475 employees)

Training provided by job category

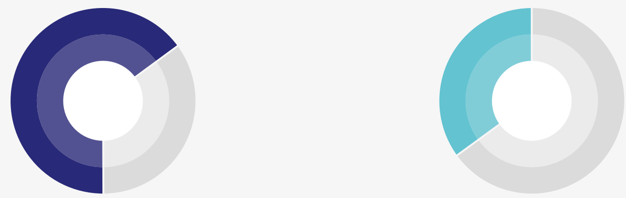
88%	10%	1%
for staff (of which **42.1%** women)	for managers (of which **3%** women)	for executives (of which **0.2%** women)

Age

30%	32%	23%	15%
aged below 30	aged between 30 and 39	aged between 40 and 49	aged above 50

Joiners

1,152
joiners in FY2020

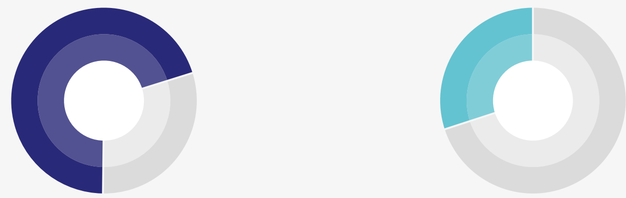


65%
men

35%
women

Leavers

1,464
leavers



70%
men

30%
women

Representing 21% turnover in IBL Operations

Human Capital

A REFRESHED STRATEGY WITH A FOCUS ON DIGITALISATION

Putting people first has always been central to IBL's values. The Covid-19 crisis has now proved beyond a doubt that people are at the heart of IBL's strength and resilience. The crisis has also forced IBL's businesses and teams to make rapid changes to how they operate, as remote working and collaboration become the new normal.

BACK TO ESSENTIALS AND BEST PRACTICES

Following the conclusion of our 2016-2019 human capital roadmap, IBL defined a new three-year roadmap to 2022. The roadmap's focus is on continuing the Human Capital Transformation with a special focus on going "Back to Essentials and Best Practices". It aims to strengthen our group's capabilities on foundational issues such as recruitment, on-boarding, training and remuneration while developing our talents and leadership capabilities.

This roadmap is part of our longer-term Human Capital Strategy. This aims to create a customer-centric Human Capital function at group level and across IBL operations, in support of IBL's wider strategy and of our group's ongoing competitiveness.

The Human Capital Department in IBL's Corporate Centre seeks to work as an enabling partner with each IBL business. Decentralising human capital management to IBL Operations is a major part of this process, as is the use of cloud-based technology that provides Operations and team members an access to employee records for instance.

See People Online Platform case study p. 82

This way of working represents a major change for the Human Capital Department in IBL's Corporate Centre, Human Capital teams in our Operations and team members across the group. A major strand of our strategy is therefore on providing training to the Human Capital Department and to all future recruits to help them work more flexibly and adaptively. A programme to upskill Human Capital Managers within IBL operations will also be launched in the future.

The next major objective will be the development of leadership capabilities within the group, not least to adapt to the new business models and ways of working that are emerging in the aftermath of Covid-19.

THE IMPACT OF COVID-19 ON OUR HUMAN CAPITAL

The pandemic has radically changed the way we manage and communicate with team members. In particular, it has accelerated the digitalisation of human capital practices, from payroll and learning and development initiatives to our virtual employee experience.

At the start of the Covid-19 lockdown in Mauritius, IBL rapidly defined and amended certain protocols to enable staff to work from home, notably creating a common digital platform for virtual meetings and communication. IBL's leaders shifted to managing their teams remotely while team members adapted to working – and delivering on their targets – from home. A flexible working scheme, rolled out on a test basis in the IBL Corporate Centre in January 2020, laid the groundwork for this transition.

Today, most of our team members, particularly those in the IBL Corporate Centre and in administrative roles across the group, can work remotely provided they have an internet connection. Decentralised decision-making as well as trust, discipline, and coordination have never been more important.

Covid-19 has unfortunately delayed investment in certain leadership programmes and initiatives and forced us to rethink how to achieve our goals with limited financial resources. In the medium term, we will need to balance the wellbeing of our people with the need for cost-control measures. We must ensure that our short-term responses to Covid-19 do not weaken our team members' professional development, mental health or wellbeing, as this would ultimately have a negative impact our group. In this time of rapid change and uncertainty, it is crucial that IBL continue to support our teams to secure their ongoing trust and commitment.

SAFETY & HEALTH AT IBL

The safety and wellbeing of our team members remains IBL's top priority. Safety & health committees exist at group level and within every IBL Operation, ensuring that the group's safety & health policies are aligned, addressing business-specific issues and carrying out activities including:

- Safety and health audits, conducted in a different business unit every year. (Audit carried out at BrandActiv in FY2020)
- Health and safety risk assessment (within the IBL Corporate Centre)
- Ongoing training in safety & health
- Wellness activities (including a Wellness Week) and medical screenings
- Blood donation drives

The health of employees working in high incidence areas or at particular risk of disease is monitored by an occupational doctor. The frequency of this surveillance reflects local legislation and depends on the type of activity involved.

In FY2020, IBL Operations registered 428 accidents with an Accident Frequency Rate of 19.82 per 1,000,000 working hours, a decrease of 28% compared to the previous year. This result is attributable to the rigorous application of safety & health measures across the group, as well as to the Covid-19 lockdown, which saw several businesses temporarily halt their operations.

PROTECTING OUR PEOPLE DURING COVID-19

During the first phase of the Covid-19 crisis and the lockdown in Mauritius, the Human Capital Department worked closely with IBL's Crisis Management Committee as well with the national Crisis committee via Business Mauritius to:

- Create and implement protocols to keep teams safe, including via reinforced Safety & Health commitments and communications, social distancing, temperature checks, and the use of masks or face shields and of hand sanitiser in offices
- Activate Work-from-Home protocols, building on the launch of a Flexitime scheme in the Corporate Centre in January 2020
- Deploy Microsoft Teams for virtual meetings and to engage with customers, suppliers and partners
- Offer Corporate Centre team members access to remote psychological counselling and support
- Provide remote learning opportunities
- Carry out a Safety & Health audit

The group also developed new policies and procedures to protect frontliners and members of the public at BrandActiv, Winners, Blychem, HealthActiv, MedActiv, Scomat, and Manser Saxon.

Following the lockdown, IBL:

- Developed and implemented a deconfinement protocol to ensure its teams' ongoing safety and health
- Provided access to a nutritionist to help teams adopt healthier lifestyles following times of crisis
- Continues to actively promote virtual collaboration and digital service delivery

IBL'S COMMITMENT TO GENDER EQUALITY

The case for gender equality is clear: making use of the skills, talent and potential of our entire workforce is a source of competitive advantage, particularly in today's challenging macroeconomic context. It's also the right thing to do. IBL endorsed of the United Nations' Women's Empowerment Principles (WEP) in October 2018 and remains committed to creating a fair, diverse and inclusive working environment across our group.

In FY2020, IBL developed a "Gender Matters" Charter to cultivate gender diversity, inclusion and a culture of equal opportunities across the group. It aims to achieve zero discrimination within IBL and commits the group to providing:

1. Gender diversity training and awareness
2. Gender-diverse recruitment
3. Equal pay and benefits
4. A gender-diverse management and executive team
5. A gender-diverse Board of Directors

In line with these principles, IBL carried out the following activities this year. Going forward, we intend to carry out a gap analysis to assess gender-based disparities within the group and create an action plan to address them.

· Launch of a group-wide Non-Harassment Policy	· Participation in the "Women Leadership Programme" run by the KIP centre for Leadership for the fifth year in a row · Four female members of the IBL management team took part in FY2020. In total, 24 women have benefitted from this programme since its inception	· Gender awareness workshops run at the IBL Corporate Centre and at The Lux Collective and Lux Island Resorts headquarters	· In partnership with UNDP, provision of support to five 'green' businesses run by women	· HeForShe Campaign unveiled at The Lux Collective

Human Capital

CMH CERTIFIED A GREAT PLACE TO WORK

In 2018, an initial Great Place to Work survey was carried across across the Corporate Centre and IBL Operations. The survey assessed the group's workplace culture, employee experience and levels of staff engagement based on responses provided by team members. At CMH, it revealed weaknesses including a perceived lack of communication and instances of favouritism.

CMH's management therefore implemented a remedial action plan to, among other things, ensure that team members' queries and grievances were listened to, develop the company's talents, improve recognition and create a culture of celebration and sharing. As a result of these efforts, CMH achieved a Trust Index of 88% in a second Great Place to Work survey carried out this year.

94% of team members responded to the 2020 survey, which revealed that:

- 90% of employees feel supported, valued and like they make a difference within the company
- CMH's main strengths include the support that team members feel they receive, the camaraderie that exists between colleagues and the opportunities for personal growth that the company offers.

DELIVERING OUR HUMAN CAPITAL ROADMAP

This year, we completed the delivery of our 2016-2019 roadmap, which had four main objectives:

1. Harmonise the group's Human Capital approach →
2. Strengthen the group's succession planning to ensure business continuity →
3. Use learning and development initiatives to enhance business performance →
4. Attract top talent thanks to our inclusive working culture and competitive remuneration

Key targets	Targets set for 2019-20	Performance against targets	Priorities for 2020-21
1. Harmonise the group's Human Capital approach			
Articulate and standardise Human Capital processes across IBL	· Restructure the Human Capital Department in line with the strategies defined in the Human Capital Transformation Project · Introduce Flexi-Time in Corporate Centre on a trial basis · Revamp our Human Capital Services to bring competitive value-added services to the group's businesses	· The group HC Department has been restructured into three main departments (Operations, Talent & Leadership and Systems and Projects) with a focus on decentralising services to Operations. Certain activities (medical scheme management, enrolment of courses) were successfully outsourced · Flexibility concept launched in Corporate Centre in Jan 2020, with Covid-19 accelerating its implementation · Due to Covid-19, the services offered were focused on talent management and restructuring	· For the next two years, we will focus on our Back to Essentials and Best Practices programmes to get basic services right · We will also continue to roll out our leadership and talent framework
1. Harmonise the group's Human Capital approach (Continued)			
Review IBL's human capital and remuneration practices in collaboration with the Korn Ferry Hay Group	· Participate in Korn Ferry Hay's General Market Survey and Executive Survey to evaluate the competitiveness of IBL's remuneration practices in all sectors	· Participation in Korn Ferry's salary survey and updating of our remuneration framework · Due to cost-control measures following Covid-19, no salaries were revised in June 2020 · Role evaluations ongoing in Corporate Centre and Operations	· Evaluation of every new role* has become a Back to Essentials and Best Practices element of our recruitment process · A particular focus in 2020-21 will be on analysing the gender pay gap across the group* *for Corporate team members, Managers and Executives positions across IBL Operations
Implement a new performance management system	· Launch of a call for proposals for a Human Capital Online Suite to track employee performance and growth potential · Continuous fine-tuning of IBL's Short Term Incentive (STI) Framework across the Corporate Centre and IBL Operations	· Online Suite now selected. Payroll implementation to be completed before launch of a Performance Management System · STI nearly 100% implemented for all Executives	· Embed leadership objectives into the STI framework for all Executives
Digitally transform the group's human capital practices	· Select and implement a POP (People Online Platform)	· POP selection finalised and implementation began in May 2020 in partnership with Ceridian, a global human resources software provider · Digitalised IBL's medical insurance scheme	· Smooth implementation of POP across IBL Operations over the next 18 months, driven by dedicated Project Teams within Corporate Centre and Operations · Phased approach: roll out 1) Payroll and core services and 2) Talent management capabilities
2. Strengthen the group's succession planning to ensure business continuity			
	· Creation of a Talent and Leadership Department, launch of several new initiatives and recruitment of new Head of Talent · Launch Talent Management and Leadership frameworks · Talent Review Day to become an annual event: reviewing talent across IBL while providing opportunities for growth	· Recruitment of Head of Talent put on hold due to Covid-19 · Talent Manager nominated in-house to work hand in hand with the Group Leadership & Development Manager · Frameworks launched in January · Talent Review Day held in June 20 · Mapping of all business-critical roles for every company completed. Succession plans for these roles now in progress.	· Roll out all Talent and Leadership Department initiatives while ensuring agility and resilience of business capabilities in every Operation post-Covid-19
3. Use learning and development initiatives to enhance business performance			
	· Review the function and content of Leadership Executive Accelerated Programme (LEAP) following feedback · Run Management Development Programme (MPD) for 4th consecutive year · Ignite, an online learning platform, to be revised following questions about its impact on learning and transformation	· No LEAP programmes run this year due to Covid-19 · 4th MDP launched though some sessions delayed due to Covid-19, possibly to Feb 2021 · Programme cancelled due to lack of positive impact	· As part of the Back to Essentials and Best Practices programme, the Human Capital Department will focus on a Learning Needs Analysis that will allow business to meet their objectives and navigate the ongoing economic uncertainty

Human Capital

Key targets	Targets set for 2019-20	Performance against targets	Priorities for 2020-21
4. Attract top talent thanks to our inclusive working culture and competitive remuneration			
	· Build the processes and framework for an IBL Leadership Brand, which will provide strategically-aligned development programmes for leaders at multiple levels · Continue to develop action plans to make IBL companies' Great Places to Work · As part of the Talent Framework, an internal mobility project will be studied. We will also focus on continuing to fill the leadership pipeline	· This objective has been coupled with the Talent and Leadership framework · The Lux Collective and engineering company CMH have been named Great Places to Work. Businesses across the group continue to implement their Good to Great action plans · The mobility programme has proved a challenge. The Talent and Leadership team will continue to work on enabling criteria	· Covid-19 has forced us to define what competencies will be critical for the future of the industries we work in. The Talent and Leadership team will pay particular attention to the identification of business-critical roles and capabilities for our companies · New Great Place to Work survey planned for 2021-22

Case study

PEOPLE ONLINE PLATFORM

After a structured request for proposals and a thorough selection process, IBL partnered with Ceridian to implement a cloud-based human capital management system, known as Dayforce, across the group.

This People Online Platform (POP) project consists of identifying a single application that will help Operations manage complex workforces across our different clusters. It provides a platform for services across team members' entire employment cycle, including but not limited to payroll, the management of employee records, performance and talent management, and learning and development.

The POP will help IBL sustain its human capital transformation journey and deliver the Human Capital Department's new devolved value proposition. The platform's standardised and automated processes also improve efficiency across the board. Executives and managers will be able to manage their teams' employment journey thanks to data accessible via dashboards, while team members will be able to view their personnel records and carry out transactions such as requesting leave through a mobile self-service application.

The platform's different modules will be deployed across the Corporate Centre and Operations over a two-year period. The implementation is split into two different phases. It will be managed by a dedicated project team within the IBL Corporate Centre and project teams within each Operation:

- Phase 1: HR core, payroll, time & attendance and leave management.
- Phase 2: performance management, learning, recruiting, onboarding, succession planning and offboarding.
- IBL Operations companies are expected to complete all modules under phase 1 by September 2021 and begin implementation of phase 2 thereafter.

Digital Transformation

A CRITICAL GROWTH ENABLER

IBL's Digital Transformation Strategy aims to use technology to create new value for customers and team members across our Corporate Centre and Operations. In today's fast-paced, hyper-connected world, digital transformation is critical to IBL's competitiveness and our ability to capitalise on emerging opportunities in Mauritius and abroad.

While technology is a crucial enabler of digital change, this process is driven by our people. Digital transformation requires new ways of thinking, working and collaborating to deliver innovative, market-leading user experiences for our teams, suppliers, customers and other stakeholders. It is important that IBL's organisational culture supports our digital transformation, and that our people are equipped with the right tools and capabilities to ensure the successful adoption of new digital tools and business models, now and in the future. Training and change management are therefore a major part of our digital agenda.

OUR DIGITAL TRANSFORMATION OBJECTIVES

1
Develop new **value propositions** and extend our offers across digital channels to generate revenue

2
Disseminate and embed a **digital culture** to strengthen capabilities and collaboration, and attract talent

3
Achieve **operational excellence** by digitally transforming our processes and our ways of working

4
Increase customer loyalty through an exceptional **customer experience**

FROM PHYSICAL PRODUCTS, SERVICES AND CHANNELS TO DIGITAL AND CUSTOMER-CENTRED

Prior to the Covid-19 lockdown in Mauritius, IBL's Digital Transformation team was accelerating the delivery of the strategic projects that it had begun to implement last year. These were identified in a digital transformation roadmap 2017-18 following a group-wide consultation.

HOW COVID-19 HAS CHANGED OUR DIGITAL TRANSFORMATION STRATEGY

The Covid-19 pandemic has driven a rapid increase in digitalisation in industries and markets worldwide. In Mauritius, the Covid-19 lockdown required our group to identify and deploy new ways of serving and communicating with clients, employees and other stakeholders practically overnight. Our technology teams therefore prioritised projects that ensure our business continuity and allow us to capitalise on new, emerging business models and revenue streams.

Business continuity

New ways of working and collaborating:
- Work-from-Home protocols
- Deployment of cloud services e.g. remote meetings, online people management
- Enhanced cybersecurity measures

New revenue streams

New e-commerce opportunities and business models
p.84

Digital Transformation

PROGRESS ON DELIVERING OUR DIGITAL TRANSFORMATION

Achievements against objectives / Key innovations and new value propositions			Priorities for 2020-21
Key initiatives	**Value for users**	**Value for IBL**	
1. Develop new **value propositions** and extend our offers across digital channels to generate revenue			
PhoenixBev L'Esprit Zil: launch of a new platform for drinks packs and other merchandise during Covid-19 lockdown	**Clients** New purchasing channel and new products at a time of scarcity	· New supply partnerships · New B2C marketing opportunity for established and new product ranges	· Pursue development and consolidation of e-commerce platforms in line with customer expectations and demand
Winners: business model pivoted to become a convenience store during Covid-19 lockdown	**Clients** Convenient access to essential dry, frozen and fresh food products at a time of scarcity	· E-commerce operations streamlined for greater efficiency	
Espace Maison: creation of a drive-in Click and Collect offer during Covid-19 lockdown	**Clients** Convenient access to DIY home and garden products and pet food at a time of scarcity	· Ensured continuity of online sales while physical points of sale remained closed	
PriceGuru: expansion of products available for online purchase during Covid-19 lockdown	**Clients** New purchasing channel and products at a time of scarcity	· Expansion of existing B2C e-commerce platform	
Desktop Office Supply: launch of food packs for IBL employees during Covid-19 lockdown	**Clients** New purchasing channel and products at a time of scarcity	· New B2C marketing opportunity	
HealthBot: automated Covid-19 detection online	**General public** New health-related service and access to Covid-19 information	· Demonstrated IBL's solidarity and engagement during Covid-19 crisis	
2. Disseminate a **digital culture** to strengthen capabilities and collaboration and attract talent			
250 team members trained in change management methodologies and equipped with change methods, techniques and tools	**Employees** Motivated teams with the right engagement levels and skills to effectively adopt the new digital solutions being deployed	· Groundwork laid for a shift to digitalisation · Teams engaged in a process of change right from the start to ensure buy-in · Creation of change champions to help drive digital adoption across the group	· Deploy new digital collaboration and communication platforms · Conduct workshops on digital themes attended by cross-functional teams in Operations
3 workshops on digital themes (Data, Design Thinking, Robotic Process Automation) conducted with cross-functional Operations teams. 2 newsletters also published	**Employees** Improve knowledge on digital transformation themes discussed in the workshops	· Building awareness of digital transformation themes, increase in information-sharing across Operations and business units (including sharing and identification of potential use cases)	
Membership of Mauritius Africa Fintech Association acquired	**Employees** Keep abreast of local and regional Fintech trends and opportunities	· Being part of the local and regional Fintech ecosystem and network and remaining up to date with the regulatory framework	

Achievements against objectives / Key innovations and new value propositions			Priorities for 2020-21
Key initiatives	**Value for users**	**Value for IBL**	
3. Achieve **operational excellence** by digitalising our processes and transforming our ways of working			
Logidis: launch of warehouse management system	**Clients** Better visibility regarding available stocks	· Greater efficiency in warehouse operations	· Seafood Cluster ERP to go live in 2021 · New corporate services, fund administration and accounting system to be fully implemented at DTOS in 2021 · New ERP to be implemented at Winners' during 2020-2021 · Review, upgrade and optimisation of existing ERPs in several business units · Implementation of a data governance framework in business units in order to generate real-time data analytics to improve decision making · Deployment of phase 1 of People Online Platform (POP) and kick-off of phase 2 (performance management, recruitment, talent management) within Corporate Centre and Operations
Adoption of Microsoft 365/ Teams within Corporate Centre and Operations during Covid-19 lockdown	**Employees** · Easier, more efficient collaboration and project management · Remote working	· Teams able to work from home · Greater efficiency	
Progressed phase 1 (Payroll / Core HR services) of POP / Human Capital Digital Platform, in line with IBL's new Human Capital strategy	**Employees** · New services (leadership / training, talent management, administrative) to be managed directly by Operations rather than at Corporate Centre · Employee access (self-service)	· Time-savings thanks to move from manual reconciliation of data to an automated digital platform · Improved visibility regarding human resource analytics thanks to better management and availability of data (e.g. real time information about payroll)	
4. Increase customer loyalty through an exceptional **customer experience**			
Roll out of wiiv loyalty programme: 168,607 members as at October 2020 (highly commended in Loyalty Awards Magazine 2020's 'Best new loyalty lounge' category and named 'Regional loyalty champion' for the Middle East and Africa region)	**Clients** · Earn and redeem points to save money in return for brand loyalty · Simplicity and ease of use: single card for multiple brands and partners	· Building IBL community · Raising awareness of key brands · Improving loyalty across the IBL brand ecosystem, driving client retention · Improving our customer knowledge and understanding	· Continue to develop ecosystem of wiiv partners. · Deployment of B2C portals and mobile applications in other business units · Leverage data analytics to personalise customer experience, increase retention and drive targeted offers, in line with GDPR regulations

LOOKING AHEAD

The context in the coming year remains extremely uncertain. However, we anticipate that digital strategies will become an increasing priority for IBL and our Operations in the future. Going forward, IBL will need to:

- Assess whether our technology architecture and practices are aligned with our new, post-Covid-19 ways of working
- Ensure that team members have the right tools and training for ongoing/partial work from home
- Continue to embed cyber-security measures as the technology landscape evolves in order to protect our business.

The Covid-19 crisis aside, the context for digital transformation is dynamic and subject to rapid change. We therefore continually refine our roadmap and prioritise projects in line with evolving user expectations, market conditions and internal feasibility studies, working in partnership with other Corporate Centre departments and Operations' management teams.

Sustainability

IBL'S APPROACH

IBL recognises that we have a responsibility towards our stakeholders and our communities, and that all growth must be reconciled with sustainability. We also strongly believe that sustainability is an enabler of performance and competitiveness, and that it is a source of innovation, opportunities and value creation.

The Covid-19 pandemic and the shipwreck of the Wakashio bulk carrier in August 2020, which gave rise to Mauritius' largest-ever oil spill, have reinforced these beliefs and led to changes in how our companies do business. Covid-19 in particular has highlighted the need for greater food autonomy in Mauritius, more localised patterns of consumption and investment in renewable forms of energy in order to contribute to a local, regional and global green recovery.

IBL is in the process of defining a group-wide sustainability approach. We are currently reviewing our roadmap, which is based on two interconnected pillars:

Creating positive impact

We aim to develop innovative Blue Economy business models across the group, in line with the ZERI (Zero Emissions Research & Initiative) philosophy. By prioritising local production and resources to sustainably meet domestic needs, these models generate local employment, protect ecosystems and improve community welfare while creating new business opportunities for IBL and allowing the group to remain profitable and competitive on the global market.

Managing our negative impacts

We are committed to initiatives that reduce our impact on the environment and society, including within our value chain, and aligning with international reporting standards among other issues.

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

IBL also acknowledges the need to help achieve the Sustainable Development Goals (SDGs), a global sustainable development agenda spearheaded by the United Nations. This consists of 17 goals and 169 targets to be achieved by 2030. We have identified four priority SDGs towards which our group and Operations primarily contribute, in partnership with government, our communities and other businesses. These priority SDGs were identified via the group Materiality process set out on p. 366.

IBL contributes primarily to 4 main SDGs, while impacting other connected SDGs:

SDGs on which IBL has the greatest impact

Goals linked to our priority SDGs

SDGs on which IBL has the least impact

LOOKING AHEAD

In the coming financial year, we will set out IBL's Group sustainability roadmap 2020-23.

The roadmap review is intended to:

1. Establish particular focus areas for the group
2. Identify objectives for each of these focus areas
3. Build capacity and increase awareness of sustainability issues within IBL Operations
4. Strengthen the support we provide to entrepreneurs working in green and low-tech sectors
5. Review our procedures for collecting and analysing data (including on our carbon footprint and energy reduction targets)
6. Refine our materiality process and strengthen our relationships with our stakeholders

OUR PERFORMANCE AND OBJECTIVES

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 1: No Poverty				
3, 4, 8, 10, 11	· Promoting inclusiveness and contributing to poverty reduction through better education, employment and decent work, gender equality, good health, and zero hunger · Contributing to a brighter future for all, in line with our vision	· The work of the Fondation Joseph Lagesse and of other CSR entities within the IBL Group	· See CSR Report p. 91	· Durably improve outcomes for vulnerable communities via our CSR work. See our CSR Report p. 91
SDG 8: Decent Work and Economic Growth				
1, 3, 4, 5, 7, 9, 10, 12, 16	· Working ethically and with integrity everywhere we operate and invest · Promoting decent working conditions, including by providing productive, meaningful, fairly-paid work, security in the workplace and social protection for families, better prospects for personal development and social integration · Creating a level playing field to allow interested candidates to obtain productive employment regardless of gender, income or socio-economic background · Ensuring that a fair share of IBL's revenue goes towards remuneration, private foundations, and taxes	· A Code of Ethics and an IBL working culture rooted in a strong set of values · A Human Capital strategy detailed on p. 76, and which includes investing in the best possible quality education and training to benefit our people · Our ongoing development of the group locally and internationally, as well as the diversification of our activities · Our various financial contributions to the national economy in the form of tax, distribution of dividends, decent wages, etc.)	· Implementation of a flexitime scheme and of gender-balanced recruitment and representation policies · Total contribution of Rs 4,385m in taxes in FY2020 · See Governance Report p. 40 · See Human Capital Report p.76 · See CFO's Report p. 110	· Continue to prioritise the health, safety and wellbeing of our team members in the context of the Covid-19 pandemic - precautionary measures, remote working and other forms of support. p. 78 · Continue to promote gender diversity and inclusion across the group including via a new IBL Group Gender Matters charter, guidelines and action plans · Continue our journey towards providing an excellent employee experience and becoming an employer of choice / Great Place to Work · See Human Capital Report p. 76 · See CFO's Report p. 110

Sustainability

OUR PERFORMANCE AND OBJECTIVES (CONTINUED)

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 13: Climate Action				
7 ,8 ,12, 15, 17	· Continuously improving our energy efficiency and reducing the carbon footprint of our products, services and processes · Promoting carbon-free energy production · Continuing to work collaboratively with other businesses nationally in different sectors and along our value-chains, to set standards and develop initiatives to reduce climate risks, adapt to climate change and enhance climate-related opportunities	· *Building capacity within the IBL Corporate Centre and Operations:* Improving our teams' understanding of the implications of climate change and develop a coherent business strategy that minimises risks and identifies opportunities	· 15 sustainability awareness-raising and capacity-building sessions delivered to around 100 Corporate Centre team members	Continue to deploy an awareness-raising programme across the group
		· *Disruptive business models:* Implementing the Blue Economy projects in partnership with the Zero Emissions Research and Initiatives (ZERI) network	· Evaluation of two methanisation projects in the Seafood Cluster and at PBL, capable of treating 3,000m³ of effluents per day · Groundwork laid for zero-emissions projects including: – Mushroom growing – Production of citrus-based detergents – Optimising beer by-products	· Begin small-scale methanisation in hotels and/or smart cities · Complete testing, set up manufacturing and supply chains for feasible projects.
		· *Waste management:* Promote the 3 R's – Reduce, Reuse, Recycle – and develop industrial ecology and Circular Economy initiatives	· Implementation of waste management action plan within IBL Operations and promotion of recycling · Contribution to Business Mauritius working groups on the circular economy, including on the creation of an Extended Producer Responsibility system and the establishment of national sorting centres · Ongoing partnership with the Mauritius Port Authority and several IBL Group companies to clean up Port Louis harbour	· Standardise and systematise the collection of group data · Identify solutions and potential synergies between group entities and in the wider economy · Develop an awareness programme for children and young people and strengthen our working relationships with the relevant authorities
		· *Energy efficiency projects:* Monitor and measure energy efficiency in 20 Winner's supermarkets. · Energy audit exercises for 40 IBL operational and office work sites	· Energy consumption reduced by 12% in 20 Winners' supermarkets in the first semester of 2020, saving an estimated MUR 20m in in electricity bills this year · Phase 1 complete: 100% of IBL sites pre-audited	· Maintain reduction and improve rate if possible · Complete detailed audits for 10 sites with the potential for joint ventures and where consumption could be reduced · 30 other IBL sites to be subject to internal Energy Management Plans · Implement phase 2: Extend the scope of the project to include The Lux Collective and PBL by end 2020-21

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 13: Climate Action (Continued)				
		· Develop major renewable energy projects including via solar panels and kite-powered energy	· Creation of IBL Energy as a joint-venture with French renewable energy specialist Green Yellow · IBL and SkySails (providers of an airborne wind-energy systems) responded to a national scheme in Mauritius for emerging innovative renewable energy (MARENA) and obtained agreement in principle for our project · Application filed with the Mauritian Central Electricity Board for 32 photovoltaic sites capable of producing 10MW · Feasibility study in progress to convert plastic waste into energy at PBL in partnerships with ETIA, a member of the ZERI network, and French leader in pyrolysis · AfrAsia Bank received a € 10m line of green credit from the French Development Agency (AFD) of a green credit The bank has become part of the SUNREF Mauritius programme, which aims to promote private sector investment in energy and environmental projects	· See Agro & Energy Cluster Review p. 124 · Implement the Skysails energy project in Mauritius by end 2021 · Develop the Energy cluster (staff hires, project development) · If approved by the CEB, finalisation of contract deployment. Aim: increase use of renewable energy across the group and reduce consumption of carbon-based energy by 10-15% · Complete feasibility study and identify model for plastic pyrolysis in Mauritius
		· *Supporting clean tech start-ups and entrepreneurs*	· Several IBL companies (AfrAsia Bank, Alteo, Phoenix Bev, The Bee, UBP) partnered with Dynamia Associate on the second Mauritius edition of The Climate Launchpad, the world's leading competition for green business ideas	· Continue to support clean tech start up and entrepreneur and strengthen partnerships within the start-up community to encourage innovation in Mauritius

Sustainability

OUR PERFORMANCE AND OBJECTIVES (CONTINUED)

Other SDGs impacted	We commit to...	Via	Major achievements this year	Targets for 2020-21 and beyond
SDG 13: Climate Action (Continued)				
		· Via a think tank that brings together plays in the construction industry, IBL promote sustainable construction using bioclimatic principles and minimising the use of materials as well as limiting waste.	· Awareness of energy efficiency in construction design has increased, though progress has been slowed by the Covid-19 pandemic	· Develop a clearer framework for sustainable building at IBL
SDG 17: Building Partnerships for the Goals				
All SDGs	· Strengthening cooperation with local and international organisations and various other socio-economic actors, using the SDGs as a shared framework and vision	· Participating in Zermatt Summits to discuss sustainability challenges and identify solutions for insular nations such as Mauritius	· Participation in the 2019 Zermatt Summit	· Participate in the 3rd Zermatt Summit in view of finding more opportunities to Mauritius and increase partnership initiatives. · Involve more public and private bodies in ZERI projects and deliver ongoing projects
		· Ongoing membership in the UN Global Compact and its 10 Corporate Sustainability principles (IBL Ltd, AfrAsia Bank and The Lux Collective)	· IBL became a Founding Member of the UN Global Compact in August 2020 · Ongoing contribution to the creation of The Global Compact Local Network (Mauritius-Indian Ocean)	· Onboard more private sector companies, including IBL Group companies, to the UN Global Compact. Participate in high level debates to advance the SDGs · Actively participate in the Global Compact Local Network strategy and action plan
		· Ongoing collaboration with the authorities and membership in several committees of Business Mauritius' Sustainability and Inclusive Growth Commission	· Helped shaped the contents of SigneNatir, a private sector sustainability pact · IBL Group and companies (PBL, Logidis, IBL Engineering, The Lux Collective...) actively participated in working groups and National Budget recommendations. · Participation in the Assises de l'Environnement 2019 and its consultative discussions to develop a National Environmental Strategy for Mauritius	· SigneNatir to be launched before end 2020 with IBL companies as supporters · Continued collaboration in shaping National Environmental Strategy for Mauritius
		· Building partnerships for a more inclusive society via IBL's CSR activities	· See CSR Report p. 91	· See CSR Report p. 91

Corporate Social Responsibility

CSR AT IBL

Corporate Social Responsibility (CSR) is a key component of IBL's sustainability strategy. As a group whose vision is to create a brighter future for all, IBL remains deeply committed to improving long-term outcomes for underserved communities and vulnerable groups despite the increasingly difficult context for CSR funding in Mauritius.

IBL delivers its CSR activities via:

- Fondation Joseph Lagesse (FJL), the main non-profit organisation to which IBL channels CSR funds
- Nou Zenfan Bois Marchand, a non-profit company through which FJL implements its educational programmes for children living in Bois Marchand
- Les Cuisines Solidaires, a non-profit organisation that prepares meals from unsold food items and delivers them to NGOs in the Curepipe region
- Small Step Matters, a crowdfunding platform for non-profit organisations
- The Chemin Rail and Amaury Housing, which manages its social housing projects
- CSR programmes within IBL Operations, including Alteo, The Lux Collective, PhoenixBev, AfrAsia Bank and UBP among others.

FURTHER REDUCTIONS IN REVENUE FOR 2019-20

In the past year, FJL experienced a further reduction in its funding due to Mauritian CSR regulations. These regulations require 75% – up from 50% in 2018-19 – of CSR funds to be paid to the Mauritius Revenue Authority before being transferred to the National Social Inclusion Foundation (NSIF).

This year, FJL therefore retained only 25% of CSR funds from IBL Group companies to implement its programmes and support long-term partner NGOs and underserved communities. This represents a 24.6% reduction in incoming CSR funds compared to 2018-2019. As a result, FJL can no longer offer new tertiary education scholarships or provide financial support to NGOs already in receipt of NSIF funding.

This loss of revenue was offset by FJL successfully petitioning NSIF to allow IBL Operations to donate an additional 25% of their CSR funds to the foundation this financial year.

In addition, FJL secured Rs 4m in funding from the NSIF to support six of its programmes: a nursery school (including home visit and food programmes); a youth project; the provision of social support for vulnerable families; a parenthood support project; a health project; and a capacity-building programme for Bois Marchand community facilitators.

(Rs)
>22m
Total CSR funding provided to NSIF

(Rs)
2.9m
Funding disbursed to partner NGOs

FJL'S PRIORITY AREAS AND ALIGNMENT WITH SDGs

FJL has worked on educational projects and in community development for the past 15 years. Its areas of intervention for the last two years have focused on:

1	2	3	4
Improving access to quality education	Enhancing the development of young people	Promoting social justice and human dignity	Empowering communities

These areas of intervention align with two of IBL's four priority SDGs:

And support the following additional SDGs:

Corporate Social Responsibility

ACHIEVEMENTS THIS YEAR

FJL implemented and monitored 14 programs and projects in line with its priority areas.

Projects and programmes	Achievements	Link to SDGs
1. Improving access to quality education		
· Pre-primary education · Home visits programme · Food programme for children at school	· Delivered to 46 children (50 in 2018-19). Evaluation of FJL's pre-primary programme demonstrated that preschool beneficiaries are well integrated and doing well in primary. Grade 4 remains a challenge for them. · Provided to 179 families (160 in 2018-19) · 118 beneficiaries (133 in 2018-19)	· SDG 4
2. Enhancing the development of young people		
· 18-month youth project: street art, life skills and professional orientation · Dombeya Agricultural Youth Club: community gardening project and Happy Bees project, a beekeeping initiative · Youth Orientation programme: supports youth during transition phase between school and professional life · FJL Scholarship Scheme	· Phase III is under way: 10 teenagers and young adults have been placed in jobs and are receiving training (30 in 2018-19) · 14 young people (11 in 2018-19) · 7 young people (10 in 2018-19) · No new scholarships this year (14 in 2018-19) · In 2019, seven scholarship recipients completed their tertiary studies thanks to CSR funding from IBL	· SDGs 4, 8, 10
3. Promoting social justice and human dignity		
· Health project · 17th October annual initiative: improving the living conditions of women in Singamanee	· 72 children of Centre d'éveil de Bois Marchand, Ecole maternelle Ste. Famille · Ongoing project benefitting 25 women	· SDGs 1, 3, 10, 11
4. Empowering communities		
· Capacity-building for facilitators · Parenting programme · Revey Twa Bois Marchand Pou Nou Fierte 3-year community development project · Drug prevention programme · Housing improvement project · Housekeeping programme for the residents of FJL's new social housing project	· 1 facilitator benefited from a 1-week international conference and workshops on substance abuse prevention run by Community Anti-Drug Coalitions of America in Dallas, U.S., in July 2019 · 3 new groups of 45 parents in total are starting this year · Project completed this year. Evaluation revealed that the project fully aligned with the expectations of the community as expressed in 2017. Three of the projects within this initiative have been structured as ongoing FJL programmes and will be carried forward on a regular basis · Multi-year project reaching 80 beneficiaries in 4 communities · 2 community members travelled to the substance abuse prevention conference mentioned above · Works completed for 1 member of the locality with another 3 due to complete in 2021-22. FJL is seeking help and support from IBL companies to accelerate the process · Project completed last year	· SDGs 1, 3, 10, 11

Corporate Social Responsibility

OUR CSR RESPONSE TO COVID-19

Providing basic necessities to those in need

During the lockdown in Mauritius, Fondation Joseph Lagesse went back to basics by distributing food and soap in Bois Marchand and Chemin Rail, in partnership with FoodWise. IBL Operations and affiliates including Winner's, BrandActiv, HealthActiv, MedActiv and Small Step Matters all mobilised to help vulnerable communities in Mauritius.

Seafood

- **18,000**kg of fish distributed to NGOs and other associations
- Funds raised to distribute **500** food packs in areas near Seafood operations

Small Step Matters

- MUR **3,327,000** raised during lockdown
- These funds allowed **2500** families to receive food parcels via FoodWise, Caritas and the Rainbow Foundation

FJL

- **140** food packs distributed to 70+ families
- **26** diaper packs to 12 families

Winner's

- Monthly food drives organised throughout Mauritian lockdown to support NGOs working with underprivileged communities
- June 2020 food drive saw **12** tons of food worth MUR **1.6**m distributed to **120** NGOs via FoodWise, benefitting **2,100** families
- Winner's also prepared **11,000** of the **35,000** food packs distributed by the National Empowerment Fund

EVALUATION OF BOIS MARCHAND EDUCATIONAL PROGRAMME

FJL assessed its pre-primary educational programme for children living in Bois Marchand this year, following the creation of a comprehensive logic model taking into account expected outcomes and long-term impact. The evaluation process included one-to-one interviews with beneficiaries, a focus group with parents, and the school results of children living in Bois Marchand.

The results demonstrate that:

- The school's timetable could better respond to the children's needs and their biological rhythms.
- Parents have a positive perception of, and are generally satisfied or very satisfied with, the Ecole Maternelle Ste. Famille programmes implemented by Nou Zenfan Bois Marchand school staff members. This issue will be reassessed with more respondent parents next year.
- There is a need for collaboration with Terre Rouge Government School to provide extracurricular activities for children after primary school.
- Enhanced literacy initiatives are needed to ensure the academic performance of children living in Bois Marchand and going through Primary School Achievement Certificate examinations.
- There is a need to improve the quality of pre-primary educators' teaching.

The next step will be to assess each of the activities within the pre-primary education programme, from its provision of academic education to its food programme and meals; how children are welcomed to school each morning; the quality and frequency of home visits to parents; and the appropriateness of the school's premises and play areas.

For more information, please visit https: //www.fondationjosephlagesse.org/research-evaluation/

OUTLOOK

The lack of visibility regarding our CSR income from one year to the next is a significant challenge. In 2020-2021, due to ongoing funding cuts, FJL will reposition itself as a capacity-building entity, assisting IBL Operations with the development and delivery of their individual CSR strategies. It will also work directly with vulnerable communities, empowering them to enhance their own livelihoods. The FJL Research and Evaluation Unit, created in 2018, is a critical part of this new strategic direction, enabling it to assess the impact of its programmes and better target its initiatives.

Risk Management

A CHALLENGING ENVIRONMENT

Several exceptional events occurred at the end of the 2019-20 financial year, significantly impacting IBL's risk profile. In addition to the Covid-19 pandemic, Mauritius was included on the European Union's list of high-risk countries following the Financial Action Task Force's (FATF) decision to place Mauritius on its watchlist. The combined impact of these events is testing the resilience of our businesses, our team members and Mauritius as a whole. However, IBL's diversification, agile business model, skilful teams and solid risk management framework have enabled our group to react promptly to these threats in order to contain their impact, identify emerging opportunities and prepare for recovery.

The impact of the Covid-19 pandemic

The first cases of Covid-19 in Mauritius were detected in March 2020. The country's authorities took immediate measures to minimise the spread of the disease and strengthen national health services and resources. These measures included social distancing, the closure of the country's borders and a nationwide lockdown that brought entire sections of the economy to a standstill.

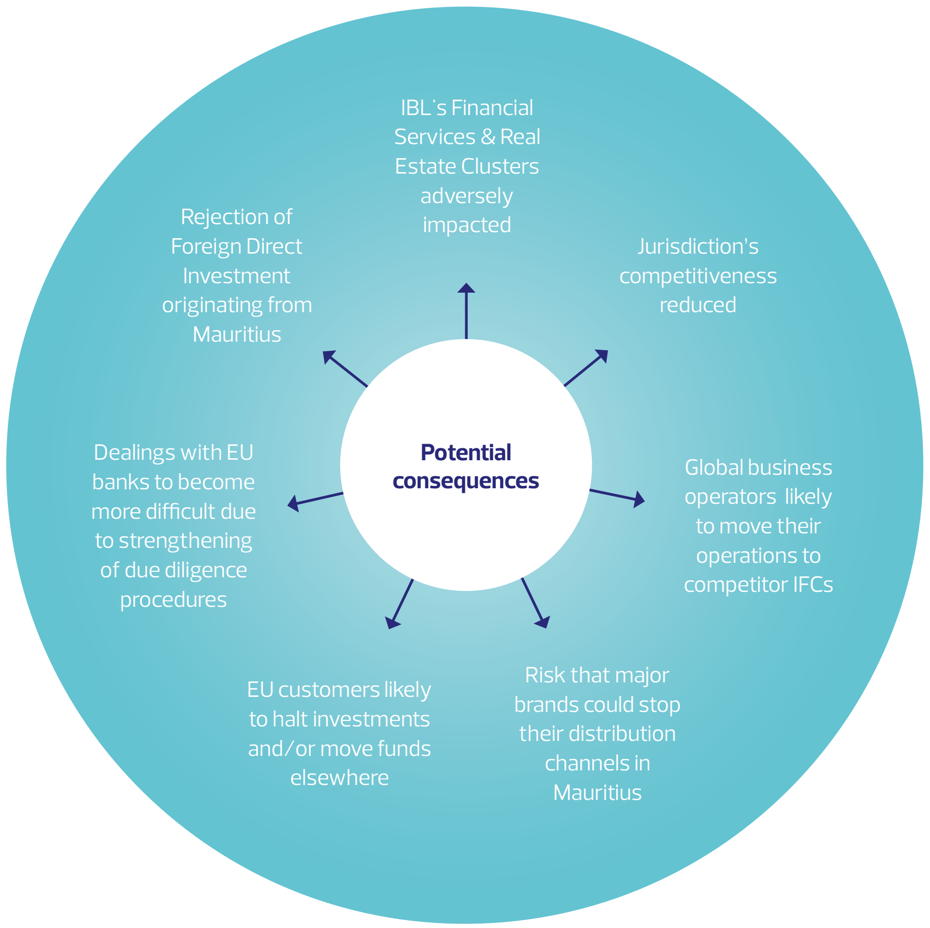
This "new normal" required IBL to take action to protect its teams, clients, community, and businesses. See p. 78. Its multiple impacts on the group's performance and outlook are set out on p. 124-147.

IBL's Risk Management team continues to monitor the situation on a daily basis. At the time of writing, the sanitary situation in the country remained stable, with strict travel restrictions and quarantine measures in place. This has allowed our group to focus on strengthening our strategy and business model and to position ourselves for renewal in the future. While it is difficult to assess the magnitude of the economic damage arising from Covid-19, and despite the resulting global economic recession, IBL's diversification is likely to at least partly mitigate the pandemic's financial impact on our group.

The impact of Mauritius' inclusion on EU and FATF lists

(i) Inclusion on the FATF watchlist and EU list of high-risk countries: Consequences for the IBL Group

Mauritius' downgrading on the FATF and EU lists is likely to damage our reputation internationally and place the country's financial services sector under pressure. Some of the potential adverse consequences are outlined below. IBL strongly believes that the country will be able to exit these lists in the near future.



(ii) National measures being taken to rebuild the country's reputation as a reliable and credible International Financial Centre:

Some intiatives taken:

- Strengthening of AML/CFT compliance framework
- Enactment of new legislation (AMLCFT (Miscellaneous Provisions) Act 2020)
- Expanding AML/CFT requirements to capture additional operations
- Intensifying representations vis-à-vis FATF and EU
- Strengthening of regulatory surveillance/monitoring mechanisms
- Improving transparency requirements
- Enhancing the skills and capabilities of regulators' technical staff
- Raising awareness of AML/CFT in order to reach more operators
- Aligning operators and industry stakeholders with authorities in strategic approach to rebuild reputation

Objective

To demonstrate the efficiency of Mauritius' AML/CFT framework

Priority areas in the current macroeconomic context

The current context brings several risk management areas into focus for all IBL businesses:

- **People** - safety & health, talent management, new ways of working
- **Business continuity** - scenario stress tests, succession planning, cyber resiliency
- **Business agility** - agile business models and governance
- **Technology** - digital transformation and data governance
- **Rethinking supply chains** - reducing distances and dependency and thinking local
- **Enhanced compliance** - new legislations (AMLCFT/Sanitary/Environmental)
- **Financial** - liquidity management, currency availability and managing fluctuations

Risk Management

DELIVERING ON OUR RISK MANAGEMENT ROADMAP

This year, we continued to deliver on our risk management roadmap, progressing to step 4 and deepening our risk management maturity.

Step 1 2017–2018	Step 2 2018	Step 3 2018–2019	Step 4 By 2021	Step 5 By 2022
· Full Board support: Tone set from the top. · Allocation of resources to set up the risk management function, including appointment of a Head of Risk Management. · Creation of tailored approach for each risk maturity group. · Design of a risk management structure.	· Preliminary analysis of group entities and initial classification by risk maturity. · Design of IBL Group risk register. · Design of risk dashboard. · Drafting of a risk management policy and guidelines, in line with the group's risk appetite.	· Official launch and start of campaigns to raise awareness of IBL's risk management framework. · Buy-in from senior management of IBL. · Identification of Risk Champions. · Implementation of risk management policy and framework.	· Risk management embedded at the level of senior management and departmental heads. · Automatic linking of risk management to strategic objectives. · Implementation of an ERMF software. · Continued deployment of ERMF in other clusters.	· Risk management gaining maturity across all group entities and employees, top-down and bottom-up. · Systematic, coordinated and proactive identification, recording, reporting and monitoring of risks at all levels to achieve strategic goals or objectives.

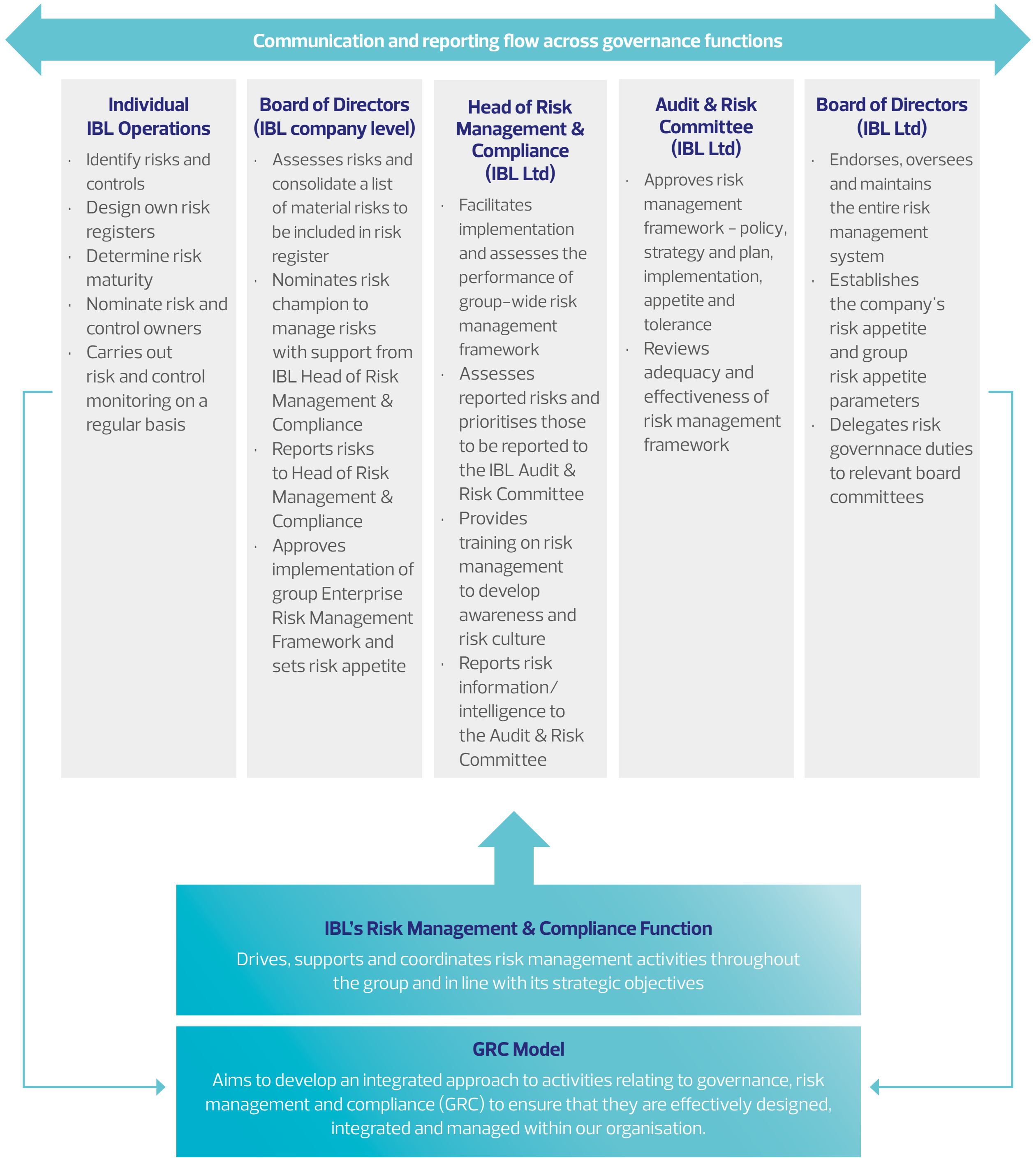
Risk management areas	Progress towards step 4
Risk awareness	· Continuous promotion of risk management activities in IBL businesses · Communication with management, senior management, directors, and risk owners regarding specific control components and/or risks · Training/awareness and assistance on specific risk topics (Covid-19 impact, data protection, compliance, business continuity, cyber security, ethics) · Risk management function as part of IBL Group Crisis Committee
Risk reporting	· Regular risk reporting to the IBL Audit & Risk Committee · Risks included in management and board meeting agendas · Software still a work in progress
Risk assessment	· Monitoring of trends regarding existing risks, controls, and emerging risks in light of the local and global context · Risk identification and reporting exercise completed in the Seafood Cluster (see below) · Monitoring of top risks and controls · Risk assessments undertaken for the treasury and safety & health departments · Annual assessment of group top risks undertaken
Risk monitoring	· Review of risk identification activities in Merger & Acquisitions process (see below) · Review of risk governance structure, delegation of authority and approval processes · Close collaboration with IT Department to monitor progress on mitigating cybersecurity threats, confidentiality breaches, and business continuity (taking Work-from-Home into consideration)
Control activities	· Identification of critical business processes via a Business Impact Assessment (BIA) · improvement of disaster recovery plan for the Corporate Centre based on BIA · Testing cyber resilience at IBL Corporate Centre · Deployment of cyber/ IT security roadmap aligned with new remote working capabilities (including Work-from-Home) · Alignment of governance structures, delegation of authority and approval processes within IBL businesses · Setting up of a compliance framework for IBL and its operational subsidiaries · Upgrading safety & health risk register at IBL Corporate Centre

RISK MANAGEMENT ACTIVITIES DURING THE YEAR

Risk management areas	Risk management activities
Governance practices	· Strengthened our governance structures by aligning best practice across several IBL businesses in terms of board composition, regularity of meetings, reporting, delegation of authority and approval processes.
Compliance culture	· Designed a general compliance management framework for IBL based on recommended practices in the international standard ISO 19600:2014.
Mergers & Acquisitions (M&A)	· With the M&A team, reviewed our internal M&A process in order to strengthen risk identification, analysis and reporting methods throughout its various stages.
Cybersecurity	· Strengthened cybersecurity resilience thanks to the IT team's continued deployment of our cybersecurity roadmap. · New IT policies finalised and deployed across IBL businesses, taking into account Work-from-Home and flexible working schemes.
Confidentiality	· Data classification initiatives successfully tested. · To be deployed within IBL head office in the coming financial year.
Business continuity	· Creation of a Business Continuity Steering Committee (BCSC) to drive business continuity initiatives and improve group resilience. · Business continuity management roadmap devised alongside a methodical implementation process. Framework and charter now in place; several business impact assessments completed. · Business continuity implementation to be accelerated in the first half of 2020-21, taking into account lessons learnt from Covid-19.
Seafood Cluster and other IBL businesses	· Risk identification and assessment programme completed in Seafood cluster subsidiary companies, with risk registers now in place and risk and control owners identified. Principal risks and action plans have been reported to the Boards of Seafood companies. · Risk identification and assessment activities were also initiated in other IBL businesses.
Data protection	· Continued to train data protection officers and assist them in the implementation of "Privacy by Design" principles.

Risk Management

RISK MANAGEMENT STRUCTURE AND KEY RESPONSIBILITIES



OUR CONTROL ENVIRONMENT

The risk management and compliance functions are part of the second line of defence within IBL's control environment.

During this financial year, we continued to strengthen our control environment as follows:

- Delivering on our roadmap and promoting a risk-based culture throughout IBL businesses
- Designing a compliance framework for IBL
- Setting up of a Business Continuity Steering Committee to drive our business continuity strategy and initiatives
- Working in close collaboration with other lines of defence to strengthen the control environment
- Focusing on key control elements such as IT, Safety & Health, Data Protection, Ethics and Governance
- Communicating with key governance players on risk issues
- Cross-sharing with the internal audit function on risk issues

The Head of Risk Management & Compliance attended IBL's Audit & Risk Committee meetings during the year as per the below attendance table:

Meeting date	Attended
02 August 2019	✓
20 September 2019	✓
11 November 2019	✓
10 February 2020	✓
03 June 2020	✓

The Audit & Risk Committee received regular reports from the Head of Risk Management & Compliance and was able to consider matters such as:

- Risk trends
- Compliance updates
- Risk management activities
- The efficiency of the risk management framework; and
- Risk management reporting for the Integrated Report 2019/20.

Risk Management

RISK APPETITE STATEMENT

Risk appetite parameters

When making business decisions,
IBL aligns its risk appetite with the following parameters:

1. IBL's vision, mission and values
2. IBL's sustainability initiatives and commitments
3. A guiding framework to assess equity investments in East Africa
4. IBL's code of business ethics and anti-corruption policy
5. The group's environmental impact and human rights
6. The integrity of our business partners

Risk-taking strategy

Specific directives for risk-taking per project, in accordance with target capital levels/returns and the application of risk appetite parameters

Risk tolerance

The level of financial and reputational soundness required to execute IBL's strategic objectives

HEAT MAP – IBL'S TOP 15 RISKS

As in previous years, we undertook a risk assessment exercise to refresh our risk register. The risk assessment exercise was undertaken at the end of July 2020. A panel consisting of members of IBL's Executive Team were asked to participate and rate the IBL Group's top risks. This new risk ranking reflects the global and local context as outlined on p. 102-107 of this report. "New" risks are those which have been rated for the first time this year. Risk trends are reported using last year's rankings as a baseline.

Main risks

1. Tourism performance
2. Pandemic
3. FATF watchlist
4. Foreign currencies
5. Government policies
6. Industry performance
7. Forex fluctuations
8. Sugar cluster performance
9. Market concentration
10. Sustainability of tuna stocks
11. Property sales performance
12. Climate change
13. Volatility of commodity prices
14. Cybersecurity threats
15. Technology efficiency

Trends (based of last year's ranking)

- Increase
- Decrease
- New

Risk Management

Ranking	Risk	Description	Main capitals impacted	Mitigating measures	Clusters impacted	Link to group-level strategy
1	**Tourism performance**	Decline in the number of high-value tourists visiting Mauritius and in the destination's attractiveness coupled with increasing competition from other destinations. Negative impact on the performance of the hotel industry and related industries		· International expansion (hotel management contracts/ownership in foreign countries) · Diversification of revenues in various foreign currencies (USD/EUR/GBP) · Hospitality community to discuss/develop a strategy to improve the Mauritian destination and its visibility · Covid-19 mitigating measures: – Renting of Tamassa Hotel to Mauritian government for quarantine purposes – New marketing strategy and offering based on Mauritius' status as a Covid-19-free destination – Close cooperation with stakeholders and authorities to market the destination and prepare for the reopening of borders – New packages devised for local market – Phased reopening of hotels – Stringent cashflow management measures – Redeployment of team members – Application for support from Mauritius Investment Corporation and other government schemes, including Wage Assistance Scheme	· Hospitality & Services · Commercial & Distribution · Logistics	
2	**Pandemic**	Pandemic threat (or threat of resurgence) leading to sanitary and economic crisis and the loss of lives, closure of businesses, redundancies		· Business Continuity Plan in place and already tested in the context of the Covid-19 pandemic · Crisis committee and crisis management plan in place · Sanitary protocols and other safety & health measures in place · Financial stress-testing in place · Work-from-Home scheme in place	· Group	
3	**FATF watchlist**	Inclusion of Mauritius on the FATF watchlist and EU list of high-risk countries, damaging the country's reputation and attractiveness as a credible financial hub for global investors. Impact on the performance of our businesses in the financial services and property development industries		· Changes to legislation (new AML/CFT legislation) · Demonstration of efficiency of Risk Based Supervision: Enhanced on-site inspections by Financial Services Commission · Government initiatives to address the issue rapidly · Additional businesses subject to AML/CFT legislation · Implementation of FATF action plan (monitored by a special ministerial committee reporting to the Prime Minister) · Implementation of compliance framework within IBL businesses	· Financial Services · Property	
4	**Foreign currencies**	Lack of foreign currencies on the local market leading to: 1. an inability to pay foreign suppliers and meet contractual agreements, resulting in partial or complete halt of commercial activities 2. a devaluation of Mauritian Rupee resulting in a significant increase in the price of products and services and a decline in competitiveness		· Group forex conversion policy: IBL to control sales of foreign currencies by group forex sellers, ensuring that forex buyers are able to purchase foreign currencies from the group should the market dry up · Negotiation of extended payment terms with foreign suppliers · Strict management of cashflow and forecasts · Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies	· Group	
5	**Government policies**	Unfavourable government policy decisions, including with regard to the fiscal and economic business environment, impacting group strategy and performance		· Geographical diversification of earmarked activities to strengthen resilience · Engagement with relevant stakeholders in all markets to achieve better import control/ regulations and support for industry · Strengthening of presence in key private sector representative bodies · Intensification of representation on key bodies to assist decision-making	· Group	
6	**Industry performance**	Cyclical industries causing significant volatility in revenues		· Strengthening project planning and contract management teams and communication processes (top-down and bottom up approaches) · Investigating new avenues for business · Close monitoring of all tenders in the region · Ordering industry-specific surveys in individual countries · Strict management of cashflow and forecasts	· Building & Engineering · Property	

Risk Management

Ranking	Risk	Description	Main capitals impacted	Mitigating measures	Clusters impacted	Link to group-level strategy
7	**Forex fluctuations**	Negative fluctuations in principal currencies and the Mauritian rupee, impacting revenues from our import and export operations		· Group Treasury service to assist IBL businesses with assessing and mitigating impact of adverse forex movements · Diversification of activities and income sources worldwide · Group currency management strategy · Group forex conversion policy in place to mitigate a lack of forex on the market · Where applicable, creation of hedging strategies to match budgeted conversion prices while protecting companies (partially or in full) from exposure to foreign currencies	· Group	
8	**Sugar cluster performance**	Unfavourable global sugar market with pressure on prices and production costs severely affecting the financial performance of our Agro & Energy cluster		· Geographical diversification towards markets less influenced by world and European Union market conditions or in which Mauritius enjoys a competitive advantage (East African operations i.e. Kenya and Tanzania) · Diversification into higher value-added products that are less sensitive to global market conditions · Diversification of income sources including optimisation of revenue from by-products · Improved productivity through operational excellence · Accelerated mechanisation/automation programmes · Drastic cost containment measures for local production (short-term viability) · National rethink/reform of the sugar industry with the participation of all stakeholders to ensure the industry's survival	· Agro & Energy	
9	**Market concentration**	Over-reliance of group results on the performance of Mauritian business activities		· Implementation of regional and international development strategies to export and develop businesses outside of Mauritius · Creation of a regional office in Kenya and appointment of a Regional Business Development Executive to drive the group's regional expansion strategy · Portfolio and currency diversification	· Group	
10	**Sustainability of tuna stocks**	Reduction in wild tuna stocks impacting the supply of raw materials to the Seafood cluster and indirectly impacting the financial performance of the Logistics Custer and our shipbuilding activity		· Ongoing lobbying of the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling sustainable tuna stocks in the Indian Ocean · Increased participation in IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation · Better management of regional quotas across the seafood industry, with additional fishing capacity to be chartered over the longer term · Increased presence within Mauritius Export Association and lobbying for the creation of a seafood association	· Commercial & Distribution	
11	**Property sales performance**	Increasing competition from other local and foreign residential development projects putting additional pressure on sale capabilities, cashflow and turnover		· Ensuring a robust development screening process for new projects · Adopting competitive pricing strategies · Building attractive residences on prime sites to enhance demand · Creating an offer to address demand from local market · Differentiating offer to set ourselves apart from mass market · Ensuring the permanent adequacy of offer relative to customers' needs · Diversifying the group's activities by achieving a balance between office and retail developments · Improving sales efficiency · Looking at new markets · Stringent cash flow management measures in place	· Property	
12	**Climate change**	Failure to adapt our activities and take appropriate actions to face climate change events and natural disasters, leading to complete stop of operations, loss of lives and substantial financial losses and damage to assets		· Group-wide energy efficiency programme · SkySails agreement · Photovoltaic solar projects (at LUX* Ile des Deux Cocos, LUX* properties in Maldives, and Alteo) · Raising awareness of environmental concerns and commitment to SDGs, with a particular focus on climate change and climate actions · Group Sustainability Policy and development of group-wide strategy for sustainability and responsible business conduct · Agricultural diversification to increase resilience · Waste to Energy project · Cyclone and heavy rain procedures in place	· Group	

Risk Management

Ranking	Risk	Description	Main capitals impacted	Mitigating measures	Clusters impacted	Link to group-level strategy
13	**Volatility of commodity prices**	Volatility in the price of commodities impacting margins and performance		· Mitigation plan defined, including potential price adjustments · Development of appropriate hedging mechanisms · Close monitoring of factors that generally affect commodity prices · Focus on local production capacities	· Building & Engineering · Property · Commercial & Distribution · Agro & Energy · Logistics	
14	**Cybersecurity threats**	Increased cyber-attack attempts and IT system security breaches		· IT governance framework · Information security governance framework being developed, including IT policies · Cyber/IT security roadmap developed · Due diligence on external partners undertaken · Outsourced cyber security consultant to accompany the group · Financial resources deployed to enhance IT security framework · Cyber resilience testing · Awareness of security best practices continuously refreshed and strengthened with remote working capabilities · Gradual implementation of AIP, a solution to protect our documents · IT controls to secure our Corporate Collaboration tool and audits to verify the controls' effectiveness	· Group	
15	**Technology efficiency**	Loss of competitiveness and efficiency due to inadequate investment in digitalisation, in response to rapid changes in technology and customer expectations		· Digital Transformation Strategies within the group · Dedicated digital projects team · Development of digital transformation roadmaps for individual IBL businesses and regular progress reviews by the IBL digital team · Close follow-up and provision of assistance on group's digital strategic initiatives · Benchmarking of emerging technologies shared with relevant companies on a regular basis · Membership of Mauritian Fintech association to stay up to date on new technologies · Partnerships with relevant experts in specific digital domains to upskill internal resources and stay up to date with international trends	· Group	

Performance

Group Chief Finance Officer's Report

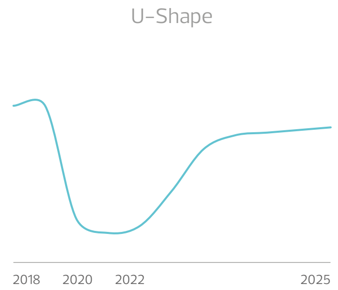
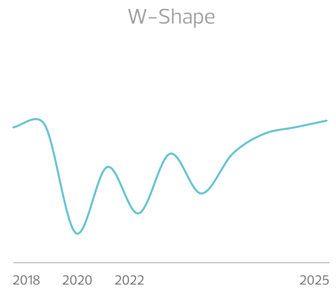
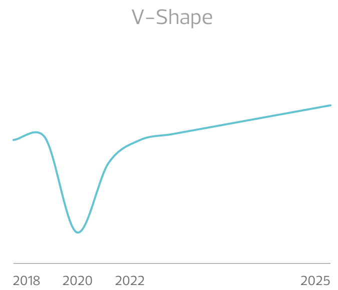
IBL Ltd is a diversified group with many companies operating in a wide spectrum of industries and geographies. In preparing the financial statements for FY2020, the group has had to assess the implications of Covid-19, and to a lesser extent the EU Blacklisting, on each of its businesses and across its investment portfolio.

Whilst the immediate and long term impacts of Covid-19 are uncertain and not uniform across the board, even more than in previous years, it was critical to adopt a consistent approach, judgement, assumptions and process across the group to ensure that the financial statements are coherent.

RISK AND RECOVERY SCENARIOS

In the second half of the financial year, once it was obvious that Covid-19 was spreading and was going to affect many of our markets, it was clear that we would need to closely monitor the various industries and countries that we operate in to ascertain how they would respond to various scenarios of lockdown and recovery, travel restrictions and so on.

The table that follows was derived following both internal and external consultation and underpins the assumptions we have used in our valuation models which drive our valuations of goodwill, investments and properties, as well as IFRS 9 on "expected credit losses" and going concern assessments.

Industry sector	Risk level	IBL's view of potential recovery scenarios	
· Hospitality - Hotels, Tourism & Associated Services · Property - Sales, Development, Contracting and Supplies · Logistics - Aviation	High		Businesses are projected to face significant slowdowns and challenges for as along as the pandemic lasts on a global scale and a remedy for Covid-19 has not been found.
· Financial Services - Banking, Insurance and Global Business · Property - Rental	Medium		Businesses or certain product lines expected to experience a bumpy ride in the medium term (e.g. resulting from default on loans or other challenges and uncertainties) until a new baseline is found.
· Agro · Energy · Wholesale consumer goods · Healthcare · Logistics - Warehousing, Shipping & Transport · Life Sciences · Technology · Seafood	Low		Business expected to resume relatively rapidly, albeit some could face doing business under new baseline conditions, e.g. rising import costs, reduced consumer disposable income.

Group Chief Finance Officer's Report

IBL GROUP – PERFORMANCE SUMMARY FOR FY2020

Summary of the published results of the group

	Year Ended	
	30.06.2020 Rs'000	30.06.2019 Restated Rs'000
Revenue	**36,809,312**	39,050,468
Profit from operations	**452,814**	2,211,315
Share of results of associates and joint ventures	**568,435**	441,306
Impairment of goodwill and investments	**(1,049,375)**	(171,672)
Other gains and losses	**(26,749)**	169,900
Net finance costs	**(1,212,593)**	(889,197)
(Loss)/Profit before taxation	**(1,267,468)**	1,761,652
Taxation	**(136,560)**	(427,748)
(Loss)/Profit for the period from continuing operations	**(1,404,028)**	1,333,904
Discontinued operations		
Loss for the year from discontinued operations	**(22,124)**	(32,061)
(Loss)/Profit for the year	**(1,426,152)**	1,301,843
Other comprehensive income/(loss) for the year	**318,455**	(472,728)
Total comprehensive (loss)/income for the year	**(1,107,697)**	829,115

IBL's markets operated under reasonably normal business circumstances for the first eight and a half months of the year until the Covid-19-triggered lockdown in mid-March. However, there were earlier signs that a global pandemic was on the cards. We reported this concern in our half-year profit announcement in February 2020 and started planning for the worst.

Inevitably, the group's operations and its results were severely impacted as the pandemic spread across the planet in the second half of the financial year. Covid-19 has affected markets across our supply chain, greatly affected our clients and our suppliers.

Our hardest-hit sectors are Hospitality, Building and Engineering, Property and Logistics, which could take longer to recover to pre-Covid-19 levels of activity.

Furthermore, the group's credit loss exposure has increased due to clients operating in higher-risk industries. This has resulted in increased IFRS9 provisions compared to pre Covid-19 periods.

We have written down the value of some investments as well as goodwill relating to the hospitality sector on our group balance sheet.

Finally, the adoption of IFRS 16 in the current financial year has led to a recognition of "right of use" on leased assets, thereby increasing total assets and lease liabilities on the balance sheet. IFRS 16 has triggered a corresponding higher annual finance cost which in turn is affecting the group's results.

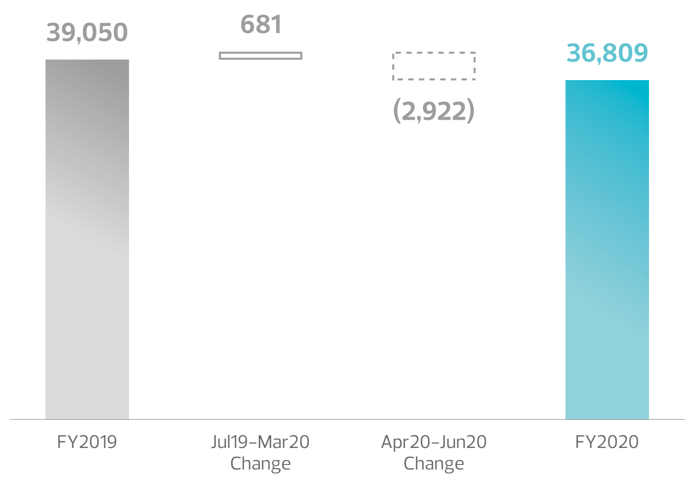
As a result of the above, the group's revenues declined by 6% to Rs 36.8 billion for the full financial year (FY2019: Rs 39.1 billion). This drop compares unfavourably to the 5% upward trend we were experiencing in the first half of the financial year, implying that Covid-19 has adversely affected our annual top-line by approximately 11% over the two financial years.

Profit from operations amounted to Rs 453 million (FY2019: Rs 2,211 million) but the group reported a loss before tax of Rs 1,267 million (FY2019: profit before taxation of Rs 1,762 million). The group's underlying profit/(loss) - defined as profit/loss before tax adjusted for impairment of goodwill and investments, other gains and losses and the impact of IFRS16, a new accounting standard this year — reported a loss of Rs 70 million (FY2019: profit of Rs 1,764 million).

An overview of the group's performance is shown below:

GROUP REVENUE: MOVEMENT YEAR ON YEAR

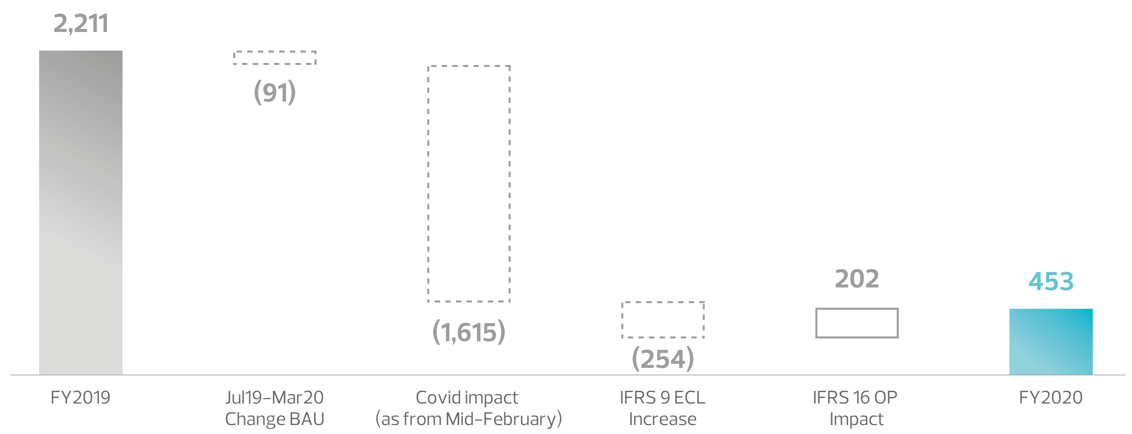
Figures in Rs Millions



Group revenue had been increasing steadily until Covid-19 hit in the last quarter of this year, resulting in an overall decline for the year of 6%.

GROUP PROFIT FROM OPERATIONS: MOVEMENT YEAR ON YEAR

Figures in Rs Millions

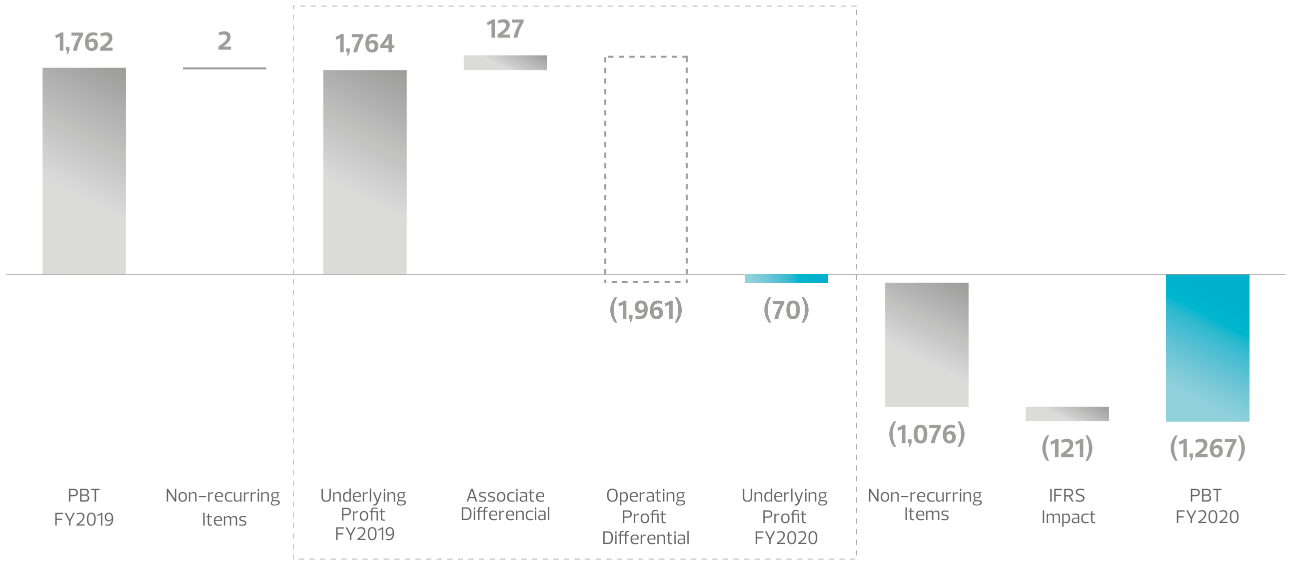


Operating profit had grown slightly over the last few years, peaking in FY2017, an exceptional year with a number of one-off profits resulting from large contracts. In FY2020, the figures reported are much lower, mainly as a result of Covid-19.

Group Chief Finance Officer's Report

GROUP UNDERLYING PROFIT/(LOSS): MOVEMENT YEAR ON YEAR

Figures in Rs Millions



Given the economic backdrop and stalled tourism industry, the group has reported an underlying loss and a loss before taxation for the financial year. The underlying loss is due to the impact of the national lockdown in the last quarter of the financial year and higher expected credit losses as at 30 June 2020, largely exacerbated by the pandemic.

In addition, IBL impaired goodwill on some hotels, other real estate and on certain investments at group level, which are non-recurring items.

SECTORAL ANALYSIS

Agro & Energy:

Alteo's sugar cluster reported better results, with higher sugar prices in both Mauritius and Tanzania as well as reduced costs in Mauritius. Lower tariffs and offtake adversely impacted the profitability of Alteo's energy segment while property sales and the group's hospitality businesses have been significantly impacted by Covid-19.

Results for this financial year show a marked improvement over last year, which had seen significant levels of impairment in the sugar and energy clusters.

Building & Engineering:

The main companies operating within the sector are CNOI, UBP and Manser Saxon Group. All of them reported lower turnover and profitability due to the nature of their activities, which were severely affected by the lockdown in Mauritius in the final quarter of FY2020.

Most shipyard activities came to a halt due to the travel ban preventing shipping crew from flying home and back. The closure of all major construction sites for extended periods affected the delivery of real estate projects and impacted the results of UBP and our Contracting businesses.

While activity picked up after lockdown, much of it related to projects that had begun or had been committed for before Covid-19. The challenge will be to sustain levels of activity should the market for property development and construction in Mauritius decline. Official statistics estimate that the construction industry will contract by 20% for the 2020 calendar year and that the impact could last well into 2021 in the absence of tourists and potential foreign buyers on Mauritian soil.

Commercial & Distribution:

The group's Commercial and Distribution sector has been very active throughout the crisis, with many of the group's businesses classified as "frontliners". These activities include Winner's retail supermarkets, MedActiv pharmacies, BrandActiv and HealthActiv, our wholesale businesses. The cluster posted an increase in turnover but reported a lower operating profit compared to last year due to shifts in buying behaviour during and after the lockdown. PhoenixBev was adversely affected by production, sale and distribution constraints during the lockdown months but resumed to normal activity levels afterwards, except for the segment distributing to hotels, restaurants and cafes.

Financial Services:

Eagle Insurance generated higher revenue and reduced its losses thanks to improvements in its claims ratios. DTOS benefitted from a favourable USD exchange rate and kept results at par. The Bee, the private equity arm of the group, suffered from a decrease in its portfolio valuation. AfrAsia Bank reported slightly lower results than last year due to higher provisioning under IFRS 9.

Hospitality & Services:

Our hospitality activities were on track to deliver strong results for FY2020. However, the cluster saw booking cancellations as from late February 2020 when new Covid-19 cases emerged in Italy, then France and followed by the rest of the world. Mauritius closed its borders and went into lockdown end March 2020 and from that point onwards, our hotels closed for the rest of the financial year.

Closing down for the last quarter of the year resulted in a decrease in turnover of 23% and a decline in operating profit of 76%. The limited visibility across the tourist sector resulted in goodwill impairments for properties in Maldives and the sector has increased its provisions on its debtors. These have had a significant impact on the profitability of the sector and on the group's results.

Lux Island Resorts (LIR) rescheduled its financial commitments. It also successfully negotiated Rs 1bn from the Mauritius Investment Corporation (MIC) and obtained further credit facilities from commercial banks to sustain working capital requirements. At the time of writing, The Lux Collective (TLC) was still in the process of restructuring its balance sheet. It has seen encouraging improvement in demand in China and the Maldives and steady occupancy rates in Reunion. However, activity after the year-end remained subdued, with borders closed worldwide and the Covid-19 situation deteriorating in our main tourism markets, namely Europe and South Africa. The outlook remains very uncertain.

Logistics:

The aviation business within this sector has been the most affected by border closures and a stalled tourism industry. The only flights permitted during the lockdown were for cargo, repatriations and students. Inland transport and international freight volumes fell significantly during and after the lockdown. Our shipping activities nonetheless posted better results overall with the addition of a new vessel to the fleet during the year. FY2020 profits have fallen as a result.

Life & Technologies:

Testing at CIDP's laboratories had to temporarily stop in Mauritius and abroad due to local and international lockdowns and Covid-19-related social distancing. The company triggered cost-reduction initiatives to mitigate the impact of reduced testing activity.

Seafood:

Results for Seafood companies were relatively stable year on year despite the closure of factories during the lockdown period. Many of our products are considered basic commodities and exporters have benefitted from favourable exchange rates. This sector has proven to be resilient and bounced back quickly post-lockdown.

Property:

Bloomage's results reflect the growth in its property portfolio. The company has not been directly impacted by Covid-19, but has agreed to rent deferrals or discounts for certain tenants. BlueLife's hotel activities were at a standstill in the last quarter of the financial year. Sales of properties at the Rive Droite development slowed considerably due to prospective buyers being unable to visit. The company is now reformulating its strategy and financing needs to adapt to the changed environment.

Group Chief Finance Officer's Report

IBL COMPANY – PERFORMANCE SUMMARY FOR FY2020

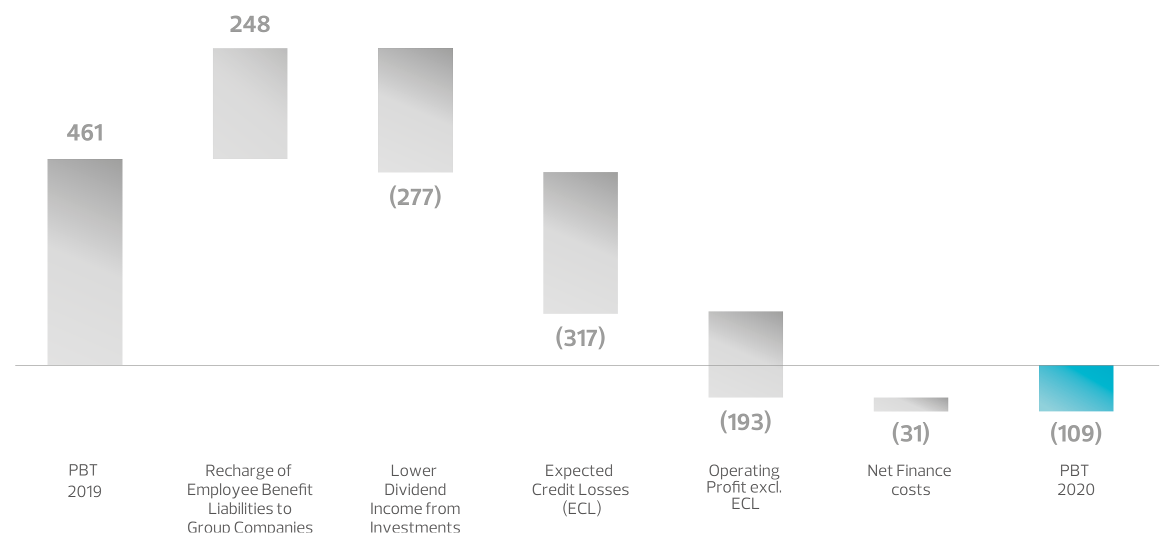
Summary of the published results of the Company

	Year Ended	
	30.06.2020 – Rs'000	30.06.2019 Restated Rs'000
Dividend Income	**601,904**	879,116
Other revenues and income	**4,376,679**	4,227,173
Total Revenue	**4,978,583**	5,106,289
Cost of sales	**(3,435,925)**	(3,254,739)
Gross Profit	**1,542,658**	1,851,550
Other Income	**300,799**	222,385
Administrative expenses	**(1,528,075)**	(1,457,255)
Expected Credit Losses	**(335,421)**	(18,021)
Operating Profit	**(20,039)**	598,659
Other Gains and losses	**241,012**	155,626
Net finance costs	**(305,031)**	(273,558)
Profit before taxation	**(84,058)**	480,727
Taxation	**(25,238)**	(20,164)
Profit for the year	**(109,296)**	460,563

COMPANY PROFIT BEFORE TAX: MOVEMENT YEAR ON YEAR

The chart below shows the main factors that drove a drop in the company's profits before tax this year.

Figures in Rs Millions

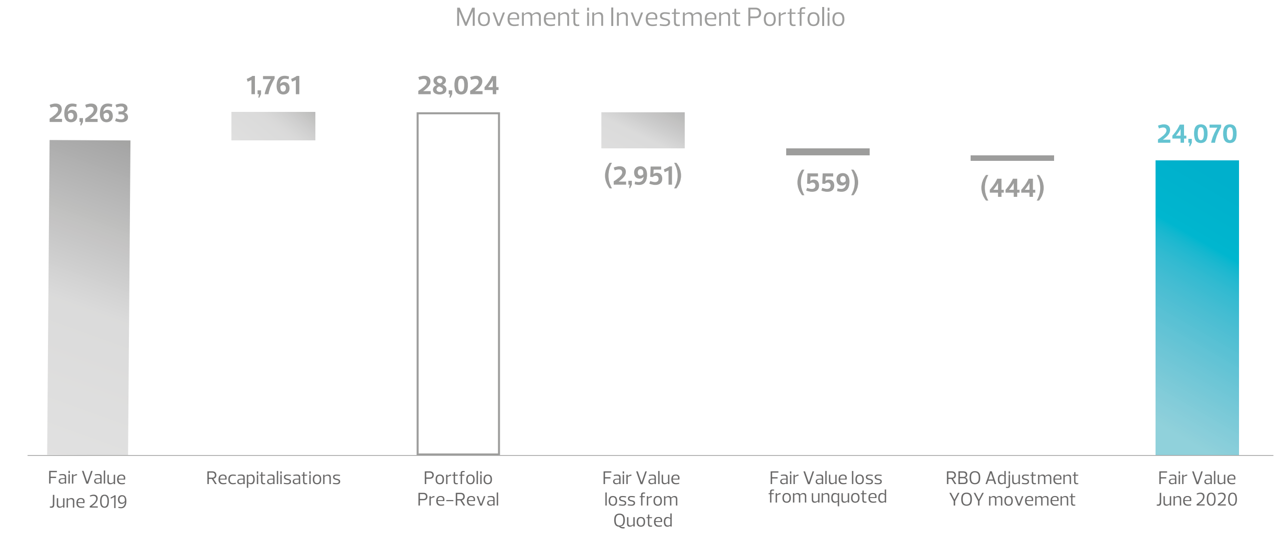


Many of our group companies, particularly in the hardest-hit sectors described in the risk and recovery scenarios, curtailed the distribution of dividends at the end of FY2020 due to Covid-19. Operations throughout the company were also impacted by increased costs and a more challenging operating environment. During the year, a number of IBL Group companies started facing difficulties of their own prompting IBL to recognise that some of its inter-company loans or working capital facilities may be impaired. Many of these companies were capitalised during the year to give them additional financial muscle to continue operating.

COMPANY INVESTMENT PORTFOLIO: MOVEMENT YEAR ON YEAR

The Company's overall portfolio of investments dropped by 8% during the year, to Rs 24.1bn.

Figures in Rs Millions



To begin with, we recapitalised some companies to the tune of Rs 1.76 billion to support them and give them the working capital required to navigate the difficult lockdown periods. In note 11 of the Financial Statements, this is shown as Rs 1.35bn and is net of Rs 0.41bn of receivables which had been previously impaired.

Following the Covid-19 outbreak, we saw a sharp decline in the value of some of our listed stock. This included a 52% drop in LUX* (Lux Island Resorts) share price, and a 47% decline in that of Blue life. These businesses operate in hospitality and real estate development respectively, both higher-risk sectors in today's operating context. The rest of the Company's portfolio experienced a drop in value of 6%.

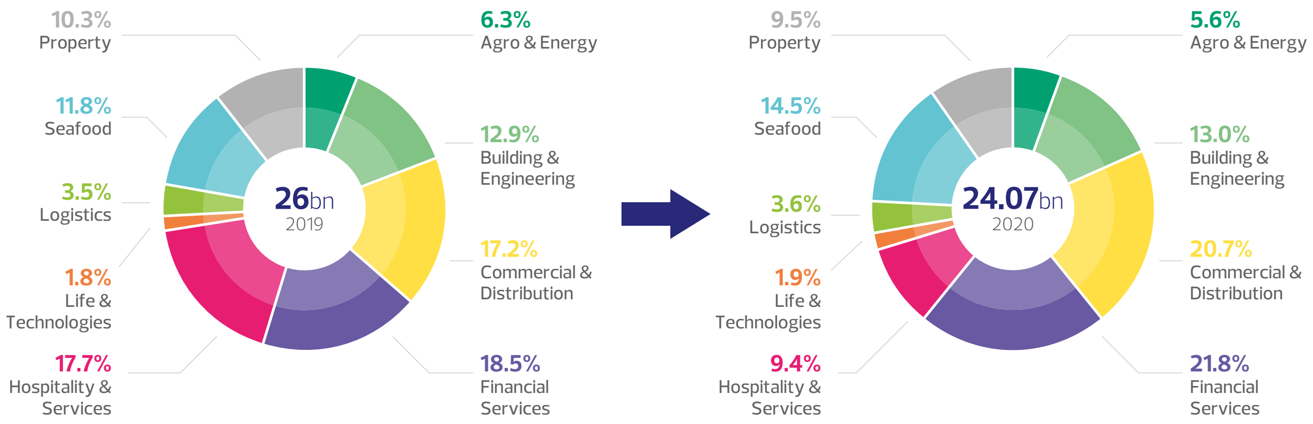
Figures in Rs Millions

Movement in Value for Listed investments	No of shares held	Share price June 2019 (Rs)	Share price June 2020 (Rs)	Fair value 2019 (Rs M)	Fair value 2020 (Rs M)	Gain/(Drop) in Portfolio (Rs M)	Gain/ (loss) on quoted
LUX* (LIR)	77,425,389	58.00	28.00	4,491	2,168	(2,323)	-52%
BlueLife	320,865,201	2.38	1.27	764	407	(356)	-47%
High risk industries				5,254	2,575	(2,679)	-51%
Alteo	88,033,272	18.80	15.20	1,655	1,338	(317)	-19%
UBP	8,785,100	131.25	128.50	1,153	1,129	(24)	-2%
PICL	1,488,130	385.00	420.00	573	625	52	9%
Eagle Insurance	4,800,000	117.25	122.00	563	586	23	4%
PhoenixBev	527,659	580.00	614.00	306	324	18	6%
The Bee Equity	3,083,292	31.70	24.10	98	74	(23)	-24%
Lower and medium risk industries				4,348	4,076	(272)	-6%
Total				**9,602**	**6,651**	**(2,951)**	**-31%**

For unquoted investments, the net overall drop in fair value was Rs 559m which represents 5% compared to last year and includes an amount of Rs 0.41bn which was recapitalised during the year. This decline was driven mainly by downward revisions of future cashflow projections for certain companies, offset by increases in value for businesses providing essential products and services. The resulting fair value impact has been thoroughly cross-checked against the movement in value of listed companies operating in similar industries and against other industry benchmarks as at 30 June 2020.

Group Chief Finance Officer's Report

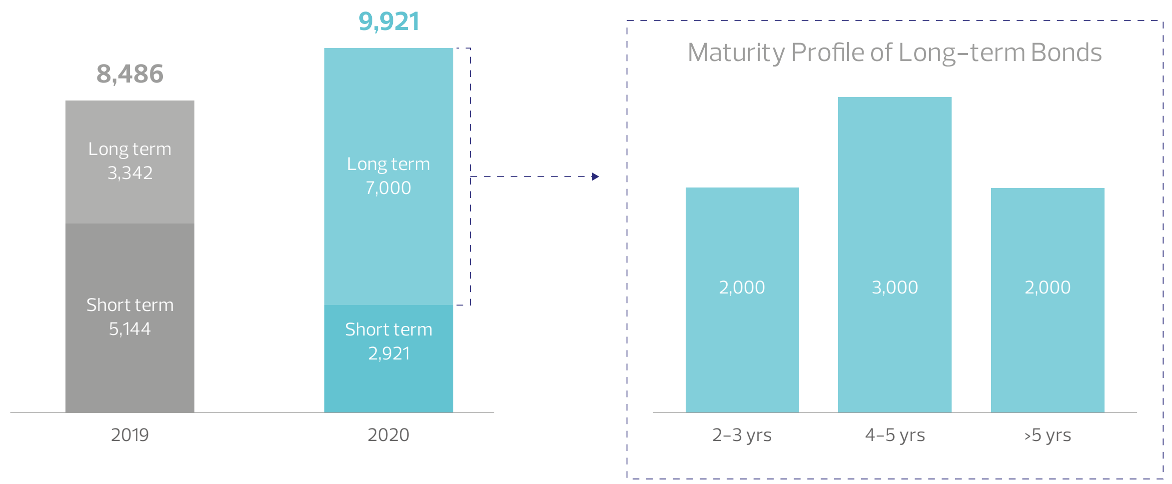
The movements above resulted in the following changes to the mix of IBL's overall portfolio:



THE COMPANY'S CHANGES IN BORROWING PROFILE

Finally, I would like to highlight that during the year, IBL successfully raised Rs 4bn mostly in the form of bonds and notes from banks and institutional investors to change the balance sheet funding profile to more longer term notes. This follows the successful raising of Rs 3bn in 2017, an exercise where the initial issue was over-subscribed by a factor of five.

Figures in Rs Millions



COMPANY SHAREHOLDER INFORMATION

Figures in Rs

Price 49.00 30 June 2020		No of Shares	Capitalisation at 30 June 2020
Highest 58.50	Lowest 40.00	680,224,040	33,330,977,960

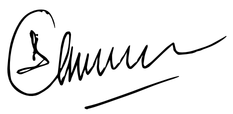
OVERALL OUTLOOK

Several factors will influence Mauritius' emergence from the Covid-19 pandemic.

Mauritius did well in containing the first wave of Covid-19 through a nationwide lockdown and its population was largely spared. The assumption is that Mauritius will remain Covid-19-free as long as strict quarantine measures stay in place.

On the other hand, there is growing anxiety about the economic fallout of continued restrictions on foreign travel and a delayed restart to the tourism industry. It is feared that the domestic economy will become increasingly fragile, resulting in rising unemployment over the next 12-18 months, unless a Covid-19 vaccine is rapidly deployed. If unemployment were to rise, general consumption and investment would become increasingly strained.

We are watching the evolution of the health and economic crisis closely. Although we expect some level of contraction in local and global consumption in FY2021, we are confident that our group will remain resilient, and we therefore intend to continue to invest for the future.



Dipak Chummun
Group Chief Finance Officer

Cluster Review

Clusters	Overview	Material companies	Key performance indicators Previous year comparatives in () where changes are significant	Financial performance Previous year comparatives in ()
Agro & Energy	Mauritian leader in the sugar industry (sugar cane growing and milling) and major producer of special sugars and sugar cane by-products. Coal-bagasse and renewable energy pioneer in Mauritius. Substantial land bank in eastern Mauritius and expertise in luxury property development, particularly regarding Anahita IRS estate.	· Alteo · IBL Energy	**5,723** team members (6,186) · **3** businesses in **3** countries · **3** sugar mills/**1** sugar refinery · **2** power plants /**1** solar farm (3/1) · **31,200** hectares of land in Mauritius, Kenya and Tanzania · **17,700** hectares of sugarcane in Mauritius, Kenya and Tanzania (19,000) · **284,600** tonnes of sugar produced (292,000) · **195** GWh energy exported to the national grid (273) · **110.1** GWh renewable electricity exported to the national grid (108.5) · **10** villas/ plots of land sold at Anahita (17)	Revenue: Rs **8,287**m (Rs 8,997m) Operating profit: Rs **1,352**m (Rs 1,416m) (IBL's financial statements include Alteo's results under "share of profit from associates" under equity accounting).
Building & Engineering	Building, engineering materials and contracting for Mauritius and the wider region's largest and most prestigious property development projects.	· CNOI · UBP · Manser Saxon Group	**3,821** team members · UBP: – Drop of 16 % in number of blocks sold – Increase of 26% in Espace Maison loyalty cards in circulation – Active in 3 countries · CNOI – 472,000 chargeable hours (626,000)	Revenue: Rs **5,821**m (Rs 6,965m) Operating results: Loss of Rs **160**m (Profit of Rs 545m)
Commercial & Distribution	B2B and B2C suppliers in the retail, consumer, healthcare and industrial sectors. Cluster has a strong footprint in the Mauritian retail market thanks to strategic geographical positioning and a focus on meeting evolving consumer needs.	· BrandActiv (IBL Ltd) · Healthcare operations: – HealthActiv (IBL Ltd) – MedActiv (MTCL) · Winner's · Phoenix Bev (PBL) · CMH · Scomat · Blychem · DieselActiv · Intergraph	**2,965** team members · BrandActiv: – **140** brands distributed · Heathcare Operations: – **191** laboratories/suppliers represented – **9** pharmacies · Winner's – **23** supermarkets and 1 hypermarket – **555** local suppliers (443) – **319** checkout tills (318) – **2** e-commerce platforms (shared with MedActiv) · Phoenix Bev: – **2** countries of operation – **9** export countries – **4** production units – **1** glass recycling operation – **7** categories of beverages – **50+** brands – **10,000+** customers	Revenue: Rs **23,596**m (Rs 23,099m) Operating profit: Rs **591**m (Rs 1,080m)
Financial Services	A cluster which encompasses businesses in the banking, insurance, private equity and global business sectors, with a major footprint in Mauritius and increasing international presence.	· DTOS · Eagle Insurance · LCF Holdings · The Bee Equity Partners ("The Bee") · AfrAsia Bank (Associate) · City Brokers · EllGeo Re	**875** team members (909) · AfrAsia Bank – Banking clients in 160 countries · Eagle Insurance – 5,504 insurance claims handled (6,083) · City Brokers – 19,170 insurance policies handled (18,494)	Revenue: Rs **2,007**m (Rs 1,764m) Operating profit: Rs **91**m (Rs 19m) (Revenue and Operating profit exclude AfrAsia Bank which is reported as an associate)
Hospitality & Services	A high-end hotel brand with an international footprint.	· Lux Island Resorts (LIR) · The Lux Collective (TLC)	**3,250** team members (3,903) · **12** resorts in 4 countries (13) · **121,500** guests as at June 2020 (180,000) · **6,096** Revenue Per Available Room (6,794) · **1,545** rooms under management contract (1,784)	Revenue: Rs **4,837**m (Rs 6,298m) Operating profit: Rs **192**m (Rs 815m)

Cluster Review

Clusters	Overview	Material companies	Key performance indicators Previous year comparatives in () where changes are significant	Financial performance Previous year comparatives in ()
Life & Technologies	In 2019-20, IBL's technology-related investments were brought under IBL's Life cluster, which was renamed IBL Life & Technologies. The new cluster's activities consist of (a) cutting-edge clinical research and the operation of high-quality analytical laboratories and (b) state-of-the-art digital solutions and strategic media planning and buying. IBL Life & Technologies has a presence in five countries and is a key driver of IBL's international expansion strategy.	· CIDP · QuantiLab · Universal Media · GWS Technologies · IBL Life · IBL Link	**210** team members (160*) · Active in 5 countries worldwide · **833** B2B clients in 33 countries (503 / 32*) · **462** clinical studies (566*) · **16,065** samples handled (15,917*) · **165** accredited methods (161*) · **6** in-house R&D projects (5*) · **7** private-public initiatives (4*) **2018-19 figures are for the former IBL Life cluster.*	Revenue: Rs **224**m (Rs 232m*) Operating profit: Rs **4**m loss (Rs 13m* profit) **2018-19 figures are for the former IBL Life cluster.*
Logistics	The IBL Logistics cluster provides comprehensive, end-to-end logistics, shipping and aviation solutions in Mauritius and the Indian Ocean.	· Logistics Support Services · IBL Aviation · IBL Shipping · Ground2Air · Logidis · Somatrans · Arcadia Travel	**740** team members · **28,000 m²** of warehousing · **14%** decrease in warehouse occupancy · **88%** increase in capacity in frozen warehouse · **20%** decrease in the number of teus handled · **26%** decrease in the number of flights handled at airport	Revenue Rs **1,449**m (Rs 1,897m) Operating profit Rs **39**m loss (Rs 71m profit)
Property	Land promoter, property developer and holder, and asset manager with a substantial portfolio of strategically placed, high-value and diversified properties in Mauritius, including retail, office, industrial and hospitality assets.	· Bloomage · BlueLife	**459** team members · Bloomage – **Rs 4 bn** value (3,6bn) – Mix: Retail 37%, Office 30%, Industrial 18%, Hospitality 11%, Land for development: 4% – **100,000 m²** approx. gross letting area – **95%** average occupancy · Blue Life (KPIs prior to Covid-19 for Radisson Blu Poste Lafayette and Radisson Blu Azuri) – **86.5%** Occupancy – **+10%** increase in Revenue Per Available Room – **+17%** increase in Gross Operating Profit Per Available Room	Revenue: Rs **762**m (Rs 837m) Operating profit: Rs **20**m (Rs 92m)
Seafood	B2B involved in the storage and transformation of fish to finished products including canned fish, fish oils and fish meal with a presence in Mauritius and Africa.	· Marine Biotechnology Products · Marine Biotechnology Products Côte d'Ivoire · Cervonic · Princes Tuna (Associate) · Froid des Mascareignes · Mer des Mascareignes	**358** team members (excluding associated companies) · **5** manufacturing plants including 3 in Subsidiaries & 2 in Associates · **15,394Mt** fishmeal produced (12,852Mt) · **1826Mt** of oil produced (1535 Mt) · **16,500Mt** cold room capacity	Revenue Rs **1,407**m (Rs 1,123m) Operating profit: Rs **272**m (Rs 178m) (Revenue and Operating profit exclude Princes Tuna which is reported as "share of profit from associates" under equity accounting. It follows that the IBL segmental reports do specifically reflect the above figures)

Agro & Energy

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	Sugar · Product diversification into higher value-added products such as special sugars, and optimisation of revenues from by-products such as bagasse and cane trash for energy	**Sugar** · Return Alteo to profitability through the mechanisation of agricultural activities, factory automation initiatives and the exploitation of machinable lands · Increase engagement with national regulators to address the challenges of sugar import policy and legislations against foreign investors in East Africa · Create synergies between cluster businesses, contain costs and achieve efficiencies · Capitalise on favourable outlook for East African sugar operations by optimising capacity · As major players in the sugar industry, rethink how to take a more active role in tackling the ongoing downturn in the industry	**Sugar** · Overall, a good year for Alteo's sugar production activities prior to Covid-19 pandemic	**Sugar** · Mauritian sugar operations less exposed during lockdown as in off-crop – normal conditions apart from need for work permits · Kenyan and Tanzanian operations continued without major disruption · Sugar markets remained stable, with potential reductions in consumption offset by a future reduction in imports in Kenya and Tanzania · Lack of visibility regarding medium-term impact of Covid-19 pandemic on main export markets · Marginal lands at Alteo in Mauritius used for production of food crops in context of increased focus on food security and self-sufficiency	2 3 5 7 8 11 12 13 14	**Sugar** · Closure of Alteo refinery · Milling activities to focus on production of higher-value added Special Sugars · Ongoing diversification: development of agriculture and livestock-rearing on marginal lands for Mauritian market
	Property · Focus on successful completion of Anahita Estate and develop Alteo's strategic blueprint for the east of Mauritius	**Property** · Complete the development of the Northern Parcel of Anahita · Continue developing the coastal area in the east of Mauritius through new projects · Achieve gross margins from the ongoing construction of villas and the conversion of reservations into sales · Sale of non-strategic and abandoned cane land to finance agricultural restructuring	**Property** · Overall, a good performance prior to Covid-19 pandemic	**Property** · Anahita Residences & Villas Ltd and Anahita Golf Ltd Resort & Golf significantly impacted by Covid-19 lockdown. Additional cash financing has been required as a result		**Property** · Likely to face a considerable short-to-medium term drop in demand due to the Covid-19 crisis and Mauritius's inclusion on the FATF watch list and EU blacklist
	Energy · Develop capacity and know-how in other forms of renewable energy (solar, wind, biomass) · Develop capacity in East Africa to take advantage of market opportunities and achieve economies of scale	**Energy** · Respond to the Central Electricity Board's RFPs and position the business as a key player within Mauritius' renewable energy sector · Rethink the power plant project at Union Flacq, both in terms of size and fuel to be used alongside bagasse · Renegotiate Power Purchase Agreement	**Energy** · Creation of IBL Energy, whose objective is to reduce the group's energy usage and investment in renewables.	**Energy** · Energy operations affected by lower tariff and lower demand during Mauritian lockdown. Demand returned to normal thereafter		**Energy** · Continue to structure IBL Energy · New Executive set to join in Q1 2021

Main risks

- 1 Tourism performance
- 2 Pandemic
- 3 FATF watchlist
- 4 Foreign currencies
- 5 Government policies
- 6 Industry performance
- 7 Forex fluctuations
- 8 Sugar cluster performance
- 9 Market concentration
- 10 Sustainability of tuna stocks
- 11 Property sales performance
- 12 Climate change
- 13 Volatility of commodity prices
- 14 Cybersecurity threats
- 15 Technology efficiency

Building & Engineering

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives
	Engineering and contracting · Explore potential mergers and acquisitions to vertically integrate activities and offer a one-stop shop for the mid-size project market	**Engineering and contracting** · Continue integration process begun in 2017-18 to create a focused, lean and agile structure that will deliver profitable growth. · Acquisition of General Construction	**Engineering and contracting** · Refreshed strategy to focus on engineering rather than commercial construction, resulting in the decision to close the construction division · Closed Dubai due to continued operational losses and limited opportunity for turnaround
	Building materials · Capitalise on synergies within the UBP Group and improve efficiency · Constantly innovate on products and services · Improve customer engagement and satisfaction · Build a workforce able to capitalise on new opportunities and take the initiative · Continue to build our brands' reputation	**Building materials** · Continuously deploy new digital tools based on each company's and the UBP Group's needs, to streamline processes · Diversify our products and outputs to meet evolving customer needs · Enhance employee engagement through ethical business practices · Embark on a gradual shift towards sustainability · Open sixth Espace Maison retail store in October 2019	**Building materials** · Shift to a cloud-based operational platform · Implementation of CRM ongoing · Launch of the Club Espace Pro by Espace Maison, a service and mobile app dedicated to industry professionals · Implementation of quality standards: ISO 9001:2015 at Drymix and ISO 17025 Certification for its laboratory · Review of Standard Operating Procedures for production in order to implement operational KPIs · Opened sixth Espace Maison retail store in October 2019
	Shipyard · Increase production capacity to deliver on contracted construction and repair work	**Shipyard** · Continue expansion of our shipyard facility · Develop existing land to grow construction and repair services	**Shipyard** · Started building shipyard extension

Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
· Most of this cluster's activities came to a halt during the Covid-19 lockdown · Several contracts cancelled or postponed without clear resumption date · Expecting sector to be hit harder in 4Q2020 and gradually pick-up in FY2021 · General Construction acquisition called off due to uncertainties caused by the pandemic · Limited visibility of potential contracts in the future in the hospitality sector · Limited visibility on the opening of borders will affect CNOI as crew cannot fly to drop or collect ships	2 4 6 7 9 10 13 14	**Engineering and contracting** · Complete wind down of construction division · Focus on the interiors division · Seek to become a leaner organization **Building materials** · Capitalise on the group's potential synergies and continue to digitalise our processes · Create a group Sales structure and streamline inter-company processes and protocols · Ensure continuous innovation on products and services by reinforcing our R&D team, capitalising on emerging opportunities and naming new R&D Manager · Digitalise all communication channels to increase visibility of UBP Group as a brand and create a single, coherent identity · Upskill middle management in use of digital tools · Monitor externalities through frequent PESTLE analysis, engagement with research companies and local thought leaders, and particularly monitor new Covid-19 related risks **Shipyard** · Extension of shipyard due to open next year · Continue to pursue organic growth in both repairs and ship building in anticipation of borders opening

Main risks

1 Tourism performance
2 Pandemic
3 FATF watchlist
4 Foreign currencies
5 Government policies
6 Industry performance
7 Forex fluctuations
8 Sugar cluster performance
9 Market concentration
10 Sustainability of tuna stocks
11 Property sales performance
12 Climate change
13 Volatility of commodity prices
14 Cybersecurity threats
15 Technology efficiency

Commercial & Distribution

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	Wholesale and distribution · Increase Mauritian market share and become preferred commercial partner for both our clients and suppliers · Continued focus on automation and digitalisation: use of technology to improve point-of-sales performance and exploit e-commerce opportunities · Acquire regional distribution rights from suppliers (BrandActiv) · Pursue organic and inorganic regional growth, particularly in Madagascar and the adjoining region	**Wholesale and distribution** · Continue to pursue strategy to strengthen local brands and regional partnerships · Continue to improve efficiency via automation, ERP improvements, and consolidated and improved logistics · Explore potential e-commerce opportunities	**Wholesale and distribution** · Pursued market penetration of La Tropicale with the launch of four new Saveur Authentique products · Product expansion: launched seven new tuna-based products under flagship brand Maremer and three new products under Tropical Tuna · Continued regional expansion with the launch of a selected portfolio of products in Madagascar · Automated our procurement process and enhanced the business intelligence sales reporting platform	**Wholesale and distribution** · Essential activities saw heightened activity during Mauritian lockdown, generating higher revenue but at lower average margins	2 4 5 9 14 15	**Wholesale and distribution** · Increase market share and set the industry standard for market supply in Mauritius · Continue to pursue exclusive distribution deals with international and regional players and explore new avenues for partnerships · New product development to expand key product categories and ensure continued relevance with consumers · Capitalise on the size of our portfolio and increase the number of customer touch points · Increase the footprint of our local portfolio · Pursue organic and inorganic regional growth · Pursue digitalisation to generate greater efficiencies and improve our customer experience

Main risks

1 Tourism performance
2 Pandemic
3 FATF watchlist
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5 Government policies
6 Industry performance
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8 Sugar cluster performance
9 Market concentration
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11 Property sales performance
12 Climate change
13 Volatility of commodity prices
14 Cybersecurity threats
15 Technology efficiency

Commercial & Distribution

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	Beverages · Develop new product categories · Improve integration of businesses in Reunion Island, following the acquisition of Edena S.A. · Grow business in Reunion Island	**Beverages** · Development of new range of juice products in collaboration with The Coca Cola Company to target health-conscious consumers · Continue to diversify portfolio by launching a new craft beer · Explore ways to reduce PET waste, particularly though green energy methanisation and alternatives to PET bottles	**Beverages** · Several new products and packaging variants launched in Mauritius and Reunion Island, as well as iced tea and juice products in new territories including the Seychelles and Djibouti · Craft beer product line which will become operational in calendar year 2021 · Continued to invest in production, warehousing and distribution facilities to increase efficiency, improve product quality and reduce environmental impact · New returnable glass bottle line to be commissioned in December 2020	· Slight contraction in results due to decline in local purchasing power and disruptions to imports of raw materials and packaging · Projects such as returnable glass bottle line were delayed due to the lockdown and closure of Mauritius' borders · Distribution operations remained stable · Drop in margin in fresh food categories at Winner's · Significant contribution of commodities to revenue · Mauritius offset printing activity strongly impacted by the drop in consumption and the lack of tourism (30% decrease), with a significant impact on profit in Mauritius and Reunion · Packaging industry (beverages, canned goods, etc.) remains robust · Profit from African activities 25% above forecast	1 2 4 5 7 9 14 15	**Beverages** · Pursue regional expansion and consolidation of assets in Mauritius · Launch craft beer product and continue to progress non-alcoholic beer product currently in development · Continue to engage with national authorities to improve PET collection and recycling rates · Focus on main brand assets (Phoenix Beer / Coca-Cola) to accelerate value creation
	Retail · Continued focus on automation and digitalisation: use of technology to improve point-of-sales performance, exploit e-commerce opportunities	**Retail** · Focus on our core capabilities, increase efficiency and optimise our cost structure · Continue to grow e-commerce business by generating new leads, boosting website traffic and increasing conversion and retention rates · Ongoing upskilling of team members – investment in training and coaching	**Retail** · Increased efficiency in-store and centrally · Revamped team and ongoing investment in training · Lowered cost structure · Renovations begun at Winner's Rivière du Rempart			**Retail** · Consolidate current market share · Tightly manage costs through operational efficiency (reducing fixed costs as much as possible)
	Industrial supply · Regional expansion via development of new business in West Africa and Ethiopia · Develop digital printing business, particularly in Reunion	**Industrial supply** · Development and market acquisition in East Africa and the Indian Ocean region · Provide training in digital printing to teams and suppliers, to allow us to market this product	**Industrial supply** · Suppliers, marketing and technical teams trained in digital printing (Intergraph Reunion) · Epson showroom for new digital printing equipment established and technical sales representative hired and trained · Developed African operations via: – Sale of equipment in Congo and DRC – Paper sales in Congo and Rwanda – Technical services provided in Congo and DRC. – Representation of Heidelberg in Ethiopia since January 2020			**Industrial supply** · Pursue regional market development, assuming ability to travel · Continue to develop digital printing capabilities

Main risks

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15 Technology efficiency

Financial Services

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	Cluster · Improve operational efficiency · Invest in new technology to improve customer experience · Recruit, retain and develop its key talent · Seek outgrowth opportunities in Africa	Objectives are drawn at individual company level		**Cluster** · Had to adapt very quickly to a work from home environment due to Covid-19 lockdown · Due to general slowdown in economic activity, the cluster's financial performance is expected to be lower in the coming financial year · It will also become more difficult for clients to pay their premiums and loan instalments in FY2021 · Drop in portfolio value of The Bee and Eagle Insurance Ltd due to negative performance of stock market	2 3 4 5 14 15	**Cluster** · Implement proactive measures to counter Mauritius' inclusion on EU blacklist and the impact of Covid-19
	Banking · Invest in human capital and back-office systems to pursue local development and acquire more international clients	**Banking** · Continue to strengthen operational efficiency and customer service · Digitalisation of the client experience, which should improve following a workshop with Ron Kauffman scheduled for next year · Appointment of a Chief Technology and Operations Officer to lead the implementation of digital initiatives	Ongoing Delayed to FY2021 Completed	**Banking** · Drop in interests yields locally and internationally, negatively impacting net interest income · Rescheduling of loan facilities and a moratorium on repayments and interest rates for impacted entities in various sectors		**Banking** · Recompose AfrAsia Bank's Board of Directors and subcommittees · Continue to digitise the client experience · Review the bank's strategy regarding asset generation · Control and monitoring of credit risk · Re-position AfrAsia for growth in market share post Covid-19
	Global business · Pursue organic growth while attracting new clients through international partnerships · Establish offices in other countries · Invest in IT systems to improve efficiency and customer experience · Invest in marketing and business development	**Global business** · Improve brand positioning and image internationally · Strengthen corporate culture · Improve work processes and client experience thanks to new IT systems	Delayed due to travel restrictions as a result of Covid-19 Completed IT systems being implemented in phases: Phase 1 in October 2020 and Phase 2 in March 2021	**Global business** · Reduction in client activity offset by increased revenue linked to appreciation of USD · Insurance & Reinsurance Broking · Financial performance partly affected this year · The business is resilient, but performance is expected to be impacted in FY2021		**Global business** · Mitigate the risk of investors moving to other international financial centres · Fully implement new IT system · Implement recommendations arising from DTOS' branding review · Expand on DTOS' service offer and physical proximity to clients by opening new offices
	Insurance/ Insurance & Reinsurance Brokerage · Consolidate Mauritian activities by digitalising and improving customer experience (Eagle Insurance) · Expand into retail insurance market and continue to develop medical insurance (Eagle Insurance) · Conduct marketing activities to increase brand profile and drive awareness of B2C offer (Eagle Insurance) · Look for partnership opportunities in Eastern Africa (Eagle Insurance, City Brokers and EllGeo Re)	**Insurance** · Modernise Eagle Insurance brand and strengthen operation efficiency · Increase client proximity · Develop a new health insurance partnership proposal · Develop partnership with Bryte Insurance of South Africa · Continuously evaluate East Africa investment opportunities	Ongoing; leveraging of social media and wiiv loyalty card Ongoing Ongoing Ongoing Ongoing	**Insurance** · Improvement in claims ratios due to Mauritian lockdown, particularly for Motor · As insurance is directly linked to economic activity, financial performance has been partly affected in this financial year. Despite the business' resilience, the impact on performance is expected to be more significant in FY2021		**Insurance** · Strengthen each business' risk management framework · Leverage the expertise and network of shareholder Bryte Insurance to improve internal capabilities · Provide support to the community in the context of Covid-19 · Pursue development of personal insurance lines · Continue to develop digital initiatives

Main risks

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Financial Services

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives
		Insurance & Reinsurance Broking	
		· Consolidate Management team (Ellgeo Re)	Completed
		· Invest in business development and marketing strategies to find business opportunities in Eastern Africa (EllGeo Re)	Delayed due to Covid-19-related travel restrictions
		· Implement new IT system (City Brokers)	Completed

Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
Insurance & Reinsurance Broking · Financial performance partly affected this year · The business is resilient, but performance is expected to be impacted in FY2021	2, 3, 4, 5, 14, 15	**Insurance & Reinsurance Broking** · Look for business opportunities in Eastern Africa (EllGeo Re) · Consolidate market presence and look for new opportunities in Mauritius (EllGeo Re) · Improve risk management and internal control frameworks (EllGeo Re & CBL) · Review organisational structure and engagement of team members (City Brokers) · Improve efficiencies by making full use of new IT system (City Brokers)

Main risks

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5. Government policies
6. Industry performance
7. Forex fluctuations
8. Sugar cluster performance
9. Market concentration
10. Sustainability of tuna stocks
11. Property sales performance
12. Climate change
13. Volatility of commodity prices
14. Cybersecurity threats
15. Technology efficiency

Hospitality & Services

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives
	· Consolidate leadership position in Mauritius and Indian Ocean by: – Pursuing asset-light strategy of acquiring management contracts rather than owning hotels – Refurbishing owned assets to improve competitiveness – Using sustainability as a sales argument: reducing waste and emissions, optimising water and energy consumption and improving livelihoods in the local communities in which the cluster operates · Expand into new regions, namely Asia, Europe and the Middle East · Diversify portfolio by targeting business and golf tourism	· Continue to seek out management contracts locally, regionally and internationally through The Lux Collective	Ongoing
		· Complete redevelopment of Merville into LUX* Grand Baie, with an opening scheduled for the first half of 2021	Ongoing
		· Continue to develop and export The Lux Collective's brands: LUX*, SALT, SOCIO, Tamassa and Café LUX*	Ongoing
		· Develop additional restaurant brands catering to a variety of customer segments	Ongoing
		· Develop employee retention strategy to retain talent	Completed

Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
· Hotels closed during lockdown · LUX* Grand Baie construction and LUX* Le Morne refurbishment resumed after lockdown	1 2 4 5 9 12 14 15	· Negotiate support package from Mauritian Investment Corporation (MIC) to maintain employment · Prepare and be ready to welcome guests when Mauritian borders re-open and international travel resumes, with a high-quality commercial offer and refreshed properties · Complete redevelopment of LUX* Grand Baie The property is scheduled to open in October 2021 · Complete sale of Le Recif in Reunion · Complete refurbishment of LUX* Le Morne by end of 2020 · Continue refurbishment of LUX* South Ari Atoll and LUX* St Gilles · Focus on domestic markets to drive occupancy in light of ongoing Covid-19-related travel restrictions · Continue development of resorts in China

Main risks

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Life & Technologies

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	Cluster · Continue to develop the cluster's portfolio of innovative life sciences and technology businesses through strategic partnerships · Start to develop HealthScape, a medical and health destination, at Forbach in Mauritius	**Cluster** · Pursue cluster-level strategy and new avenues for development while returning Life & Technologies cluster to profitability	Initiated the HealthScape project via an initial partnership with The Act medical and paramedical centre	· Testing activities at laboratories were halted during Mauritian lockdown · Clinical activities were stopped during lockdowns around the world · Collaboration with the Mauritian Government to support qPCR Testing	2 5 14 15	**Cluster** · Pursue cluster-level strategy and new avenues for development while returning cluster to profitability · Develop strategy for cluster's technology activities (IBL Link) · Implement HealthScape project · Operational restructure: recruit a Group Head of Technology and Sustainability and a Head of IBL Link · Increase our B2C offer by diversifying the cluster's portfolio · Consolidate current portfolio and achieve synergies between investees · Appoint a consultant to help develop our tech activities · Recruit a new General Manager for Universal Media
	CIDP · Focus on clinical studies and continue to diversify into pharmaceutical trials · Increase portfolio of local clients, especially in Brazil and Singapore · Encourage a spirit of innovation and a commitment to quality · Speed up digital transformation to offer remote clinical studies via teleconsultations	**CIDP** · Recruit a Business Development Executive to build European clientele · Pursue reorganisation of the business' structure, begun in 2018, to return to sustainable profitability and good governance · Strengthen CIDP's market share in pharmaceuticals	Recruitment has been postponed for the time being Reorganisation still in progress and should be complete by June 2021 CIDP subscribed to a digital platform to increase its international visibility in the pharma sector			**CIDP** · Complete business' structural reorganisation to return to sustainable profitability and good governance · Strengthen CIDP's market share in pharmaceuticals and successfully undergo a U.S. Food and Drug Administration audit · Pursue digital transformation to enable teleconsultations and remote clinical work in the context of the ongoing Covid-19 pandemic
	QuantiLab · Continue to increase market share, particularly in the audit and environmental sectors · Keep developing accredited methods to keep pace with evolving legislation and clients' needs · Offer new services that reflect local and international needs in the context of supply chain disruptions due to Covid-19	**QuantiLab** · Expand our regional footprint via the potential opening of a regional branch · Buy out other shareholders · Continue to diversify our services · Develop strategic partnerships with established water treatment companies to serve local and regional markets · Recruit Business Development Executive to consolidate our local market share and increase our international presence	Project postponed until FY2021 30% share purchased from minority shareholder the Mauritius Turf Club Creation of a training centre Done Project postponed until FY2021			**QuantiLab** · Continue to diversify our services and pursue vertical integration via a biomedical laboratory accredited for bioanalysis and qPCR testing · Expand our regional footprint by exploring the potential opening of a regional branch

Main risks

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14 Cybersecurity threats
15 Technology efficiency

Life & Technologies

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives
	GWS Technologies · Pursue continued growth · Increase revenue · Retain our top talent · Increase the proportion of recurring revenue to total revenue · Build new partnerships to serve the Mauritian market	**GWS Technologies** · Develop new subscription model to drive an increase in recurrent revenue · Migrate customers towards more cost-efficient servers · Capitalise on partnerships with Google Cloud and WP Engine to improve our quality of service and optimise our cloud service-related expenses · Explore and implement new projects / ventures to grow the business in Mauritius and the wider region	Done Done Done Partnership with WP Engine to provide customers with infrastructure capable of sustaining major traffic spikes during lockdown Grant received from Amazon Web Services to help develop new Amazon Cloud-based infrastructure over the next 2 years

Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
GWS Technologies · Performance declined slightly due to the financial disruption experienced by some of our clients · Our subscription-based model has provided a steady revenue stream while reducing the burden on our clients' cashflows · Overall, we have experienced slower yet steady growth · New opportunities have arisen, especially in the e-commerce and cloud hosting segment	2 5 14 15	**GWS Technologies** · Increase market share · Mitigate the impact of Covid-19 on our performance and operations · Stabilise recurring revenue streams and identify new opportunities to grow · Offer clients financial incentives to use cloud-based infrastructure for web and e-mail hosting · Expand product offering by developing a new Customer Relationship Management system · Expand Google Cloud product offering to increase the number of services we provide to clients and benefit from better partner pricing

Main risks

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15 Technology efficiency

Logistics

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
	· Investing in technology to improve processes and increase efficiency · Investing in e-commerce logistics activities including order fulfillment and final mile deliveries · Investment in resources (warehousing space, transport) to ensure that we have the capacity we need to grow · Investing in human capital: staff training and development and succession planning · Exploring potential business opportunities in the East African region	**Cluster** · Continue to explore projects in the East African region · Succession planning in the context of an ageing workforce · Review of ERP system to improve data flow and collection	**Cluster** · Investment project in East Africa in progress: target identified and due diligence being undertaken · Talent framework developed to identify talents among our staff and prepare succession plans to replace current leaders · Most operations now using the new ERP · Business intelligence reporting being introduced to help management improve decision-making	· Activities related to air travel heavily impacted by border closure in Mauritius. The uncertainty in the industry going forward will be challenging for the next few years · Airfreight performance affected: rates increased significantly in light of the limited availability of cargo planes · Shipping and sea freight expected to be less directly impacted but will be impacted indirectly due to drop in customer activity	1 2 4 7 9 14 15	**Cluster** · Focus on recovery of various aviation activities once air travel resumes
		Logidis · Ensure the successful implementation and adoption of the new Warehouse Management System (WMS) · Build capacity in frozen warehouse	**Logidis** · Implementation of WMS started in March 2020 and is ongoing, with target completion in December 2020 · Moved to a new frozen warehouse while doubling its storage capacity			**Logidis** · Deploy a passenger app and system to optimise planning and routing of vehicles and provide a user interface for drivers and passengers · Explore automated solutions for operation efficiency · Promote technology-enabled "Working From Home" · Develop better logistics tools and affordable final mile delivery to service e-commerce operators · Ongoing search for investment opportunities outside of Mauritius · Develop the distance learning market for our training school in the region · Complete the implementation of our WMS with all remaining customers
		Somatrans · Investment in new operational software	**Somatrans** · Delays in the implementation of the new operational system, now due for Q1 FY2021. Somatrans will adopt the new ERP at the same time			
		IBL Shipping · Consolidation of shipping activities	**IBL Shipping** · First phase complete with consolidation of the shipping and fishing agencies, achieving considerable savings thanks to the creation of new synergies · Second phase of consolidation (Blyth Brothers consolidation with the other shipping activities in Mer Rouge) is now underway			**IBL Shipping** · Second phase of consolidation due to complete in Q1 FY2021

Main risks

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Property

Link to group-level strategy	Strategic directions	Objectives set for 2019–20	Performance against objectives	Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020–21
	Cluster · In the medium term, Property cluster to consist of a property development fund alongside a yield fund · Maintain ability to access funding and act on investment opportunities · Capitalise on synergies between Bloomage, BlueLife and other IBL entities	**Cluster** · Capitalise on synergies between Bloomage, BlueLife and other IBL entities			1 2 3 5 11 13 14	**Cluster** · Capitalise on synergies between Bloomage, BlueLife and other IBL entities (unchanged)
	Bloomage · Growth strategy through property development and acquisitions in targeted property segments · Geographical and sectorial diversification of portfolio · Maintain gearing levels · Enhance asset and property management capabilities · Maintain operational excellence · Provide support to other IBL Group entities regarding their development plans	**Bloomage** · Accelerate growth · Have funding plan approved and in place for acquisitions and development including the acquisition projects. · Complete projects: – HomeScene at Forbach, – Redevelopment of Riverside Shopping Centre, – investment in Victoria Station Limited (20% equity stake), and – Sale of shares in Cosy Club Management Services Ltd	**Bloomage** · Overall a good year with strong delivery on projects, an above-budget EBITDA and a dividend payment as per budget	**Bloomage** · Final quarter of FY2020 impacted. · Bloomage offered rent rebates and/or deferral of rent payment to clients as a gesture of goodwill. · Deferral or freezing of expenditure to mitigate impact of reduced income · Value of investment properties was maintained (no impairment accounted for during FY2020 against a budgeted fair value gain of approx. Rs 90m) · However, value of investment in Southern Investment Ltd was impaired		**Bloomage** · Continue to pursue growth strategy while ensuring acquisitions are future-proof · Sustain income by maintaining occupancy levels, strong debtor management and cost control · HealthScape project (see Life & Technologies cluster) · Manage risks including the need to extend support to tenants beyond December 2020, reduced revenues putting pressure on bank covenants, impairment in investment properties putting pressure on gearing and LTV levels, pressure on rents with increasing market vacancies
	BlueLife · Reduce indebtedness and restore profitability in loss-making subsidiaries · Continue to promote Azuri as a lifestyle destination in Mauritius	**BlueLife** · Continue to reduce debt via the sale of earmarked assets · Restore cash flow surplus · Finalise Azuri masterplan and develop in phases, including launch of Azuri's golf-view residential development · Roll-out of BIM, an intelligent 3D software that increases the efficiency of planning, designing and managing buildings Appointment of a BIM expert to ensure seamless adoption · Finalise the sale of at least two non core-assets, including one hotel and one commercial building	**BlueLife** · Hotels outperformed up to February 2020 · As a result of planning and permit delays and not reaching pre-sales levels, property development activities did not generate any revenue in FY2020	**BlueLife** · Real estate sales activities activities temporarily halted during Covid-19 lockdown in Mauritius, with significant knock-on effects for the company's results · Hotels closed since 19 March 2020 with significant impact on results · Likely to face severe short-to-medium term drop-in demand due to both Covid-19 and EU/FATF listings		**BlueLife** · Conserve cash and carefully prioritise expenditure in light of Covid-19 · Pursue strategy of selling assets to reduce group indebtedness and generate cash to support working capital needs, including by completing the sales of Circle Square and our Poste Lafayette hotel · Develop an appropriate strategy for Azuri's next development phases, which includes a new golf course and a masterplan. Ambition is to apply for a Smart City Certificate in FY2021

Main risks

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Seafood

Link to group-level strategy	Strategic directions	Objectives set for 2019-20	Performance against objectives
	· Pursue growth in value-added by-products, particularly by optimising fish by-products · Aim to create a truly global sector with operations in the Indian and Atlantic Oceans · Roll out of new recruitment and talent management plan	· Focus on maintaining profitability internationally · Continue pursuing growth in fish by-products in Mauritius, particularly by producing fish oils and soluble extracts · Launch of a new entity (Energie des Mascareignes) to generate clean biogas from liquid by-products and effluent to power boilers, replacing heavy fuel currently used for energy · Continued lobbying of EU to improve how yellowfin quotas are implemented and begin discussions on general quotas or time area closures · Complete implementation of ERP for the entire cluster by end 2020	· Investment in Cherbourg Nutritish factory to optimise by-products in collaboration with Thai Union has been stopped due to supply-related challenges · Energie Des Mascareignes set to launch in end 2020 · Ivory Coast factory now fully functional

Impact of Covid-19 on operations and performance	Link to group-level risks	Priorities for 2020-21
· Factories worked at reduced capacity during lockdown but restarted operations as of mid-May 2020 · Limited supply during the months of August and September · Reduced tonnages in tuna factories in line of the challenges facing the food business (restaurants and hotels) in the EU	2 5 7 9 10 12 14 15	· Operate all entities within an operational excellence framework and optimise profit levels despite supply and volume challenges · Diversify source of raw materials in processing factories · Ensure alignment between industry and government regarding a proposal of reduced catches for yellow fin · Work in close collaboration with associate companies to make a collective decision regarding the value chain in view of changing business conditions · Operate factory in Ivory Coast to the highest operating standards and deliver a profitable business · Complete construction and begin activities at Energie Des Mascareignes by Oct 2021 · Enhance talent development programme

Main risks

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Statutory Disclosures

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act 2004)

Name of Public Interest Entity ("PIE"): IBL Ltd

Reporting Period: 30 June 2020

Throughout the year ended 30 June 2020 to the best of the Board's knowledge, IBL Ltd has complied with the Corporate Governance Code for Mauritius (2016). IBL Ltd has applied all the principles set out in the Code and explained how these principles have been applied.

Jan Boullé
Chairman of the Board of Directors

Isabelle de Melo
Director

3 December 2020

Certificate from Company Secretary

30 June 2020

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.

Doris Dardanne, FCG (CS)
Per IBL Management Ltd
Company Secretary

3 December 2020

Statutory Disclosures

(S. 221 of The Companies Act 2001)

Principal activity of the Company

The Company and its subsidiaries are engaged in a wide range of activities organised in 9 business clusters: Agro & Energy, Engineering & Manufacturing, Commercial & Distribution, Financial Services, Hospitality & Services, Life & Technologies, Logistics, Seafood and Property.

The stated capital of the Company is made up of 680,224,040 ordinary shares and 1,510,666,650 Restricted Redeemable shares.

Directors

The Directors of the Company as at 30 June 2020 were as follows:

Directors	Alternate Director
Jan F. Boullé (Chairman)	
Jean-Claude Béga	
Martine de Fleuriot de La Colinière	
Isabelle De Melo	
Pierre Guénant	
Jason Harel	
Arnaud Lagesse	
Benoit Lagesse	
Hugues Lagesse	
Jean-Pierre Lagesse	
Thierry Lagesse	Stéphane Lagesse
Gilles Michel	
Maxime Rey	
Jean Ribet	

A complete list of Directors and Alternate Directors of IBL Ltd and its subsidiaries as at 30 June 2020, as required under Section 221(3) of the Mauritius Companies Act 2001, is set out at the end of this section.

Directors' service contracts

There is no service contract between the Company and any of its Directors.

Contract of significance

There exists no contract of significance, save as disclosed above, between the Company and its Directors.

Directors' insurance

The Directors benefit from an indemnity insurance to cover for liabilities which may be incurred while performing their duties to the extent permitted by law.

Directors' and Senior Officers' interests in shares

The direct and indirect interests of the Directors and Senior Officers in the equity securities of the Company as at 30 June 2020 were as follows:

Directors	Direct Interest		Indirect Interest
	Shares	%	%
Jan F. Boullé (Chairman)	-	-	2.3339
Jean-Claude Béga	-	-	-
Martine de Fleuriot de La Colinière			
Isabelle De Melo	-	-	-
Pierre Guénant	-	-	-
Jason Harel	-	-	-
Arnaud Lagesse	-	-	2.7969
Benoit Lagesse	25,746,273	3.7850	1.9443
Hugues Lagesse	-	-	3.6023
Jean-Pierre Lagesse	-	-	-
Thierry Lagesse	12,317,102	1.8107	1.0268
Gilles Michel	-	-	-
Maxime Rey	-	-	-
Jean Ribet	-	-	-
Alternate Directors			
Stéphane Lagesse	12,566,725	1.8475	1.0268
Senior Officers			
IBL Management Ltd	-	-	-
Dipak Chummun	-	-	-
Thierry Labat	24	-	-
Patrice Robert	16,541	0.0024	-

Total remuneration and benefits received, or due and receivable by the Executive Directors for the year ended 30 June 2020

The remuneration and benefits paid for the year ended 30 June 2020 of the Executive Directors – namely Mr. Arnaud Lagesse, Group CEO and Mr. Jean-Claude Béga - Group Head of Financial Services and Business Development, are made of 4 components; a basic salary representing an average of 43% of the remuneration, a performance bonus representing 25% of same and for 15% the payment of the first tranche (out of 3) of the Long-Term Incentive Scheme allocated in 2017 to the 52 top executives of the Group and paid for that tranche in 2020. The difference – 17%, is made of pensions contributions and other benefits. The total amount paid – Rs 45,494,254.06 are split between the Group CEO and the Group Head of Financial Services and Business Development, 65% and 35% respectively.

Statutory Disclosures

(S. 221 of The Companies Act 2001)

Total remuneration and benefits received, or due and receivable by the Directors from the Company and its subsidiaries for the year ended 30 June 2020

	From the Company (Rs'000)	From the Subsidiaries (Rs'000)
Directors of IBL Ltd		
Executive	45,494	nil
Non-Executive	12,835	2,029
Directors of subsidiaries of IBL Ltd (other than Directors of IBL Ltd)		
Executive	nil	470,842
Non-Executive	nil	16,334

Donations for the year ended 30 June 2020

	2020	
	Others Rs'000	Political Rs'000
The Company	2,370	5,750
Subsidiaries of the Company	2,112	14,950

Auditors' Remuneration

For the year under review, the fees incurred for audit services and non-audit services were as follows:

Audit Services	2020 Rs'000
The Company	4,937
Subsidiaries of the Company	
Deloitte	2,105
Ernst & Young	22,328
Ernst & Young Maldives	437
BDO & Co	–
Exa - Reunion	1,066
Exco Reunion	4,518
Kemp Chatteris	153
IBG	295
Moore Stephens	113
NPNM	237
Other auditors	254
Khatar Kaisar for the Middle East	–

Audit Services (Continued)	2020 Rs'000
Ramani	91
DHB Jeromen Certified Public Accountants	–
Societe General De Surveillance	152
Cays Associates	472
PwC	1,262

Non-Audit Services	Details of Services	Audit Firm	2020 Rs'000
The Company	Internal audit and consultancy	Ernst & Young	425
	Consultancy	BDO & Co	300
	Consultancy	PwC	3,070
Subsidiaries of the Company	Consultancy	Deloitte	–
	Consultancy	Ernst & Young	784
	Consultancy	BDO & Co	109
	Consultancy	PwC	194
	Consultancy	Kemp Chatteris	98
	Consultancy	Grant Thornton	36
	Consultancy	Others	128

Jan Boullé
Chairman of the Board of Directors

Isabelle de Melo
Director

3 December 2020

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
IBL Energy Holdings Ltd	Agro & Energy	Emmanuel André	14/11/2019	
		Patrice Robert	14/11/2019	
IBL Energy Ltd	Agro & Energy	Preetee Jhamna		
		Patrice Robert		
		Emmanuel André		
Chantier Naval de l'Océan Indien Limited	Building & Engineering	Frank Piriou		
		Nicolas Perrier	28/01/2020	
		Preetee Jhamna		
		Thierry Labat		
		Patrice Robert		
CNOI Investissements Ltd	Building & Engineering	Frank Piriou		
		Preetee Jhamna		
		Thierry Labat		
		Patrice Robert		
		Jean Yves Ruellou		
Industrie et Services de l'Océan Indien Limitée	Building & Engineering	Frank Piriou		
		Preetee Jhamna		
		Thierry Labat		
		Patrice Robert		
		Nicolas Perrier	14/02/2020	
		Jean Yves Ruellou		14/02/2020
Engineering Services Ltd	Building & Engineering	Fabrizio Merlo		
		Krishnah Gooroosawmy		
Engineering Support Services Ltd (Formerly Riche Terre Development Limited)	Building & Engineering	Fabrizio Merlo		
		Dipak Chummun		
		Jean Luc Wilain		
Engitech Ltd	Building & Engineering	Fabrizio Merlo		
		Eric Le Breton		
		Preetee Jhamna		
		Krishnah Gooroosawmy		
Fit-Out (Mauritius) Ltd	Building & Engineering	Fabrizio Merlo		
		Robert Goupille		
		Eric Hardy		
		Krishnah Gooroosawmy		10/12/2019
Manser Saxon Contracting Limited	Building & Engineering	Fabrizio Merlo		
		Preetee Jhamna		
		Patrice Robert		
		Eric Hardy		
		Dipak Chummun		
		Ashutosh Hurbungs		
Manser Saxon Interiors Ltd	Building & Engineering	Fabrizio Merlo		
		Eric Hardy		
		Preetee Jhamna		
Manser Saxon Elevators Ltd	Building & Engineering	Preetee Jhamna		
		Fabrizio Merlo	10/02/2020	
		Eric Le Breton		
Manser Saxon Plumbing Ltd	Building & Engineering	Fabrizio Merlo		
		Preetee Jhamna		
		Jean Luc Wilain		
Manser Saxon Dubai LLC	Building & Engineering	Fabrizio Merlo		
Manser Saxon Interiors LLC	Building & Engineering	Fabrizio Merlo		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Manser Saxon Openings Ltd	Building & Engineering	Fabrizio Merlo		
		Dipak Chummun		
		Jean Luc Wilain		
Manser Saxon Training Services Ltd	Building & Engineering	Fabrizio Merlo		
		Eric Hardy		
		Thierry Labat		
		Jean Luc Wilain		
Saxon International Ltd	Building & Engineering	Fabrizio Merlo		
		Krishnah Gooroosawmy		09/03/2020
Systems Building Contracting Ltd	Building & Engineering	Christine Rouillard		
		Maurice de Marasse Enouf		
		Dipak Chummun		
		Fabrizio Merlo		
Tornado Limited	Building & Engineering	Fabrizio Merlo		
		Preetee Jhamna		
		Bernard Law Min		
		Ashutosh Hurbungs		
The United Basalt Products Limited	Building & Engineering	Francois Boullé		
		Jan Boullé		
		Laurent de la Hogue		
		Catherine Gris		
		Marc Freismuth		
		Joel Harel		
		Arnaud Lagesse		
		Stephane Lagesse		
		Thierry Lagesse		
		Christophe Quevauvilliers		
		Kalindee Ramdhonee		
		Stephane Ulcoq		
Espace Maison Ltée	Building & Engineering	Francois Boullé		
		Jan Boullé		
		Catherine Gris		
		Laurent de la Hogue		
		Marc Freismuth		
		Joel Harel		
		Thierry Lagesse		
		Stephane Lagesse		
		Kalindee Ramdhonee		
		Stephane Ulcoq		
La Savonnerie Creole Ltée	Building & Engineering	Benoit Bechard		
		Christophe Quevauvilliers		
		Stephane Ulcoq		
UBP Coffrages Ltée	Building & Engineering	Laurent Béga		
		Bryan Gujjalu		
		Christophe Quevauvilliers		
Compagnie de Gros Cailloux Limitée	Building & Engineering	Francois Boullé		
		Marc Freismuth		
		Thierry Lagesse		
		Christophe Quevauvilliers		
		Stephane Ulcoq		
Welcome Industries Limited	Building & Engineering	Thierry Lagesse		
		Christophe Quevauvilliers		
		Stephane Ulcoq		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
UBP International Ltd	Building & Engineering	Thierry Lagesse		
		Joel Harel		
		Marc Freismuth		
Sainte Marie Crushing Plant Limited	Building & Engineering	Thierry Lagesse		
		Richard Koenig		
		Christophe Quevauvilliers		
		Michel Pilot		
		Stephane Ulcoq		
Drymix Ltd	Building & Engineering	Marc Freismuth		
		Guillaume Dubreuil (Alternate)		
		Thierry Lagesse		
		Stephane Ulcoq		
		Alexis Claude		
		Colin Taylor		
		Eric Adam (Alternate)		
		Christophe Quevauvilliers (Alternate)		
		Urs Staub		
Land Reclamation Limited	Building & Engineering	Francois Boullé		
		Joel Harel		
Stone and Bricks Limited	Building & Engineering	Christophe Quevauvilliers		
		Joel Harel		
The Stonemasters Company Limited	Building & Engineering	Christophe Quevauvilliers		
		Joel Harel		
Pricom Ltd	Building & Engineering	Thierry Lagesse		
		Joel Harel		
		Stephane Ulcoq		
Blychem Ltd	Commercial & Distribution	Nazeema Jownally		
		Preetee Jhamna		
		Patrice Robert	14/01/2020	
		Emmanuel André	14/01/2020	
Construction & Material Handling Company Ltd	Commercial & Distribution	Michel Dupont		
		Preetee Jhamna		
		Emmanuel André		
		Patrice Robert	14/01/2020	
		Jean Luc Wilain		
Servequip Ltd	Commercial & Distribution	Michel Dupont		
		Preetee Jhamna		
Scomat Limitée	Commercial & Distribution	Preetee Jhamna		
		Emmanuel André		
		Patrice Robert		
DieselActiv Co Ltd	Commercial & Distribution	Fabrizio Merlo		
		Preetee Jhamna		
		Emmanuel André		
Flacq Associated Stonemasters Limited	Commercial & Distribution	Jean-Claude Béga		
		Stéphane Henry		15/06/2020
		Jean Ribet		
		Stephane Ulcoq		
		Christophe Quevauvilliers		
		Olivier Fayolle		
Compagnie des Magasins Populaires Limitée	Commercial & Distribution	Aldo Letimier	08/10/2019	
		Jean Michel Rouillard		31/08/2019
		Patrice Robert		
CMPL (Mon Choisy) Ltée	Commercial & Distribution	Aldo Letimier	08/10/2019	
		Jean Michel Rouillard		31/08/2019
		Patrice Robert		
CMPL (Bagatelle) Ltée	Commercial & Distribution	Aldo Letimier	08/10/2019	
		Jean Michel Rouillard		31/08/2019
		Patrice Robert		
CMPL (Cascavelle) Ltée	Commercial & Distribution	Aldo Letimier	08/10/2019	
		Jean Michel Rouillard		31/08/2019
		Patrice Robert		
WellActiv Company Ltd (Formerly HealthActiv Ltd)	Commercial & Distribution	Patrice Robert		
		Fabrice Adolphe		
		Patrice Marie	12/02/2020	
		Djilani Hisaindee	12/02/2020	
		Jean-Luc Wilain		02/03/2020
Medical Trading Company Ltd	Commercial & Distribution	Aldo Letimier		17/02/2020
		Djilani Hisaindee	22/05/2020	
		Ajay Chooroomoney		22/05/2020
		Patrice Marie	22/05/2020	
		Dipak Chummun		
		Fabrice Adolphe		
Medical Trading International Ltd	Commercial & Distribution	Dipak Chummun		
		Aldo Letimier		
		Fabrice Adolphe		
New Cold Storage Company Limited	Commercial & Distribution	Dipak Chummun		
		Patrice Marie	12/02/2020	
La Tropicale Mauricienne Ltée	Commercial & Distribution	Patrice Marie		
		Dipak Chummun	12/02/2020	
		Hubert Gaspard		
Pick and Buy Limited	Commercial & Distribution	Patrice Robert		
		Aldo Letimier	10/09/2019	
		Jan Boullé		
		Harold Mayer	16/10/2019	
		Preetee Jhamna		
		Daniel Ah-Chong		
		Hubert Gaspard		
		Arnaud Lagesse		
Winhold Limited	Commercial & Distribution	Dipak Chummun		
		Aldo Letimier	10/09/2019	
		Patrice Robert		
Intergraph Ltée	Commercial & Distribution	Hubert Leclézio		
		Anabelle Samouilhan	19/09/2019	
		Arnaud Lagesse	19/09/2019	
		Patrick Macé		
		Jean Luc Wilain		
Intergraph Africa Ltd	Commercial & Distribution	Hubert Leclézio		
		Patrick Macé		
		Anabelle Samouilhan	19/09/2019	
		Arnaud Lagesse	19/09/2019	
		Jean Luc Wilain		
Heilderberg Océan Indien Limitée	Commercial & Distribution	Hubert Leclézio		
		Patrick Macé		
Intergraph Réunion	Commercial & Distribution	Patrick Macé		
Intergraph Reunion SAV	Commercial & Distribution	Patrick Macé		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
SCI Les Alamandas	Commercial & Distribution	Patrick Macé		
Intergraph Réunion Papier	Commercial & Distribution	Patrick Macé		
Camp Investment Company Limited	Commercial & Distribution	Jean-Claude Béga		20/05/2020
		Christine Marot	20/05/2020	
		Jan Boullé		
		François Dalais		
		Roger Espitalier Noel		
		Guillaume Hugnin		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
Phoenix Management Company Ltd	Commercial & Distribution	Jean-Claude Béga		
		François Dalais		
		Guillaume Hugnin		
		Arnaud Lagesse		
		Thierry Lagesse		
Phoenix Investment Company Limited	Commercial & Distribution	Jean-Claude Béga		20/05/2020
		Christine Marot	20/05/2020	
		Jan Boullé		
		François Dalais		
		Guillaume Hugnin		
		Roger Espitalier Noel (Alternate)		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
Phoenix Beverages Limited	Commercial & Distribution	Jean-Claude Béga		
		Jan Boullé		
		François Dalais		
		Guillaume Hugnin		
		Yvan Mainix		
		Arnaud Lagesse		
		Hugues Lagesse		
		Thierry Lagesse		
		Sylvia Maigrot		
		Reshan Rambocus		
		Patrick Rivalland		
		Bernard Theys		
MBL Offshore Ltd	Commercial & Distribution	Arnaud Lagesse		
		Francois Dalais		
		Bernard Theys		
		Thierry Lagesse		
Phoenix Beverages Overseas Ltd	Commercial & Distribution	François Dalais		
		Thierry Lagesse		
		Bernard Theys		
The (Mauritius) Glass Gallery Ltd	Commercial & Distribution	Jean-Claude Béga		
		Charles Prettejohn		
		Patrick Rivalland		
		Bernard Theys		
Phoenix Distributors Limited	Commercial & Distribution	François Dalais		
		Bernard Theys		
Phoenix Camp Minerals Offshore Limited	Commercial & Distribution	Thierry Lagesse		
		Bernard Theys		
Phoenix Réunion SARL	Commercial & Distribution	Bernard Theys		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Helping Hands Foundation	Commercial & Distribution	Patrick Rivalland		
		Paul Rose		
		Bernard Theys		
Phoenix Foundation	Commercial & Distribution	Thierry Lagesse		
		Patrick Rivalland		
		Bernard Theys		
EDENA S.A.	Commercial & Distribution	Jean-Claude Béga		29/11/2019
		Yvan Mainix	29/11/2019	
		Arnaud Lagesse	29/11/2019	
		Patrick Rivalland		
		Bernard Theys		
Espace Solution Reunion SAS	Commercial & Distribution	Bernard Theys		
EDENA SCI	Commercial & Distribution	Bernard Theys		
Adam and Company Limited	Corporate Services	Dipak Chummun		
		Thierry Labat		
Cassis Limited	Corporate Services	Dipak Chummun		
		Thierry Labat		
Equip and Rent Company Ltd	Corporate Services	Dipak Chummun		
		Thierry Labat		
		Devdass Ramasawmy		
IBL Africa Investment Ltd	Corporate Services	Dipak Chummun		
		Jean-Luc Wilain		
IBL Loyalty	Corporate Services	Delphine Lagesse		
		Sattar Jackaria		
		Laurent Fayolle		
IBL Entertainment Limited	Corporate Services	Dipak Chummun		
		Robin Hardin		
		Jean Luc Wilain		
IBL Entertainment Holding Limited	Corporate Services	Dipak Chummun		
		Robin Hardin		
		Jean Luc Wilain		
IBL Treasury Management Ltd	Corporate Services	Dipak Chummun		
Les Cuisines Solidaires Ltée	CSR	Daniel Ah Chong		
		Nicolas Merven		
		Martine Hennequin		
		Anabelle Samouilhan		
Fondation Joseph Lagesse	CSR	Arnaud Lagesse		
		Anne Rogers		
		Adeline Lagesse		
		Christine Marot		
		Genevieve de Souza		
		Jonathan Ravat		
		Thierry Labat	23/12/2019	
		Martine Hennequin		
		Krish Hardowar		
IBL International Limited	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IBL Training Services Limited	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
IMV Services Ltd	Corporate Services	Dipak Chummun		
		Thierry Labat		
		Preetee Jhamna		
I-Consult Limited	Corporate Services	Dipak Chummun		
		Laurent Fayolle		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Ireland Blyth (Seychelles) Ltd	Corporate Services	Dipak Chummun		
		Jean Luc Wilain		
Ireland Fraser & Company Limited	Corporate Services	Dipak Chummun		
		Hubert Gaspard		
I-Telecom Ltd	Corporate Services	Dipak Chummun		
		Laurent Fayolle		
GML Immobilier Ltée	Corporate Services	Arnaud Lagesse		
Printvest Holding Ltd	Corporate Services	Arnaud Lagesse		
		Jean-Claude Béga		
		Laurent de la Hogue		
IBL Management Ltd	Corporate Services	Jan Boullé		
		Arnaud Lagesse		
IBL Treasury Ltd	Corporate Services	Laurent de la Hogue		
		Yannick Ulcoq	11/07/2019	
		Olivier Decotter		
		Philippe Hardy		
		Dipak Chummun		
Ze Dodo Trail Ltd	Corporate Services	Yannick Doger de Speville		
		Yan de Maroussem		
		Jean Patrick Roy Rouget		
		Thierry Labat		
		Olivier Decotter		
Beach International Company Ltd	Financial Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
DTOS Ltd	Financial Services	Jean-Claude Béga		
		Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Sattar Jackaria		
		Olivier Decotter		
		Michael Murphy		
DTOS International Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Mike Mootien		
		Didier Viney		
DTOS Trustees Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Lina How		
		Mike Mootien		
		Sattar Jackaria		
DTOS Outsourcing Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Mike Mootien		
		Didier Viney		
		Sattar Jackaria		
DTOS Registry Services Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Mike Mootien		
		Didier Viney		
		Sattar Jackaria		
IBL International Limited (Kenya)	Financial Services	Jorsen Patten		
		Jean-Claude Béga		
		Arnaud Lagesse		
		Anaick Larabi		
IBL Financial Services Holding Ltd	Financial Services	Dipak Chummun		
		Hubert Gaspard		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Interface International Ltd	Financial Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
		Dipak Chummun		
		Jean-Claude Béga		
		Sattar Jackaria		
Interface Management Services Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Mervyn Chan		
		Sattar Jackaria		
IPSE (Nominees) Ltd	Financial Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
ITA EST (Nominees) Ltd	Financial Services	Mervyn Chan		
		Jimmy Wong Yuen Tien		
Knights & Johns Management Ltd	Financial Services	Jean-Claude Béga		
		Jimmy Wong Yuen Tien		
		Mervyn Chan		
		Dipak Chummun		
		Olivier Decotter		
		Sattar Jackaria		
LCF Holdings Ltd	Financial Services	Jean-Claude Béga		
		Laurent de la Hogue		
		Sattar Jackaria		
LCF Securities Ltd	Financial Services	Jean-Claude Béga		
		Laurent de la Hogue		
		Marc- Emmanuel Vives		
		Samila Sivaramen (Alternate)	18/03/2020	
LCF Wealth Ltd	Financial Services	Laurent de la Hogue		
		Uday Gujadhur		
LCF Registry and Advisory Ltd	Financial Services	Laurent de la Hogue		
Eagle Insurance Limited	Financial Services	Jean-Claude Béga		
		Robert Ip Min Wan		
		Gilbert Ithier		
		Subhas Lallah		21/04/2020
		Alain Malliaté		14/11/2019
		Jacob Pieter Blignaut	04/12/2019	
		Winson Chan Chin Wah	03/12/2019	
		Cynthia Parrish	09/03/2020	
		Derek Wong Wan Po		
		Dipak Chummun		
		John Edward O'Neill	11/02/2020	
		Laurent de la Hogue		
Specialty Risk Solutions Ltd	Financial Services	Arvind Dookun		
		Alain Malliaté		
		Derek Wong Wan Po		
Pines Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Sattar Jackaria		
		Paramasiven Poolay Mootien		
Pines Nominees Ltd	Financial Services	Jimmy Wong Yuen Tien		
		Paramasiven Poolay Mootien		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
The Bee Equity Partners Ltd	Financial Services	Jean-Claude Béga		
		Jan Boullé		
		Delphine Lagesse	11/09/2019	
		Olivier Fayolle		
		Denis Claude Pilot		
		Sattar Jackaria		
		Stephane Henry		19/06/2020
		Madhukar Gujadhur		
IBL Link Ltd	Life & Technologies	Arnaud Lagesse		
		Jan Boullé		
		Hubert Leclézio		
		Laurent Fayolle		
GWS Technologies Ltd	Life & Technologies	Jacques David Commarmond		
		Hubert Leclézio		
		Laurent Fayolle		
Universal Media	Life & Technologies	Philippe Cervello		
		Chan Phong Wha Lai Tung		
		Hubert Leclézio		
		Claire Béchard		
Alentaris Ltd	Hospitality & Services	Olivier Decotter		
		Thierry Goder		
		Thierry Labat		
		Hubert Gaspard		
Alentaris Recruitment Ltd	Hospitality & Services	Thierry Labat		
		Olivier Decotter		
		Thierry Goder		
Alentaris Consulting Ltd	Hospitality & Services	Thierry Labat		
		Olivier Decotter		
		Thierry Goder		
Alentaris Management Ltd	Hospitality & Services	Thierry Labat		
		Olivier Decotter		
		Thierry Goder		
Lux Island Resorts Ltd	Hospitality & Services	Jean-Claude Béga		
		Laurent de la Hogue		
		Desiré Elliah		
		Pascale Lagesse		
		Thierry Lagesse		
		Maxime Rey		
		Jan Boullé		
		Reshan Ramboccus		
Beau Rivage Co Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Blue Bay Tokey Island Limited	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Les Pavillons Resorts Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
LIR Properties	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Café LUX Ltd	Hospitality & Services	Arnaud Lagesse		
		Marie Laure Ah You		
		Paul Jones		
FMM Ltée	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
LTK Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
MSF Leisure Company Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Lux Island Resorts UK Limited	Hospitality & Services	Arnaud Lagesse		
		Paul Jones		
Lux Island Resort Maldives Ltd	Hospitality & Services	Daniela Hoareau		
		Stephanie Germain		
		Desiré Elliah		
		Bernadette Suzanne Julie (Alternate)		
White Sand Resorts & Spa Pvt Ltd	Hospitality & Services	Leon Liu		
		Desiré Elliah (Alternate)		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Naiade Holidays (Pty) Ltd	Hospitality & Services	Paul Jones		
		Desiré Elliah		
Naiade Holidays (Proprietary) Limited	Hospitality & Services	Paul Jones		
		Desiré Elliah		
Lux Island Resort Foundation	Hospitality & Services	Paul Jones		
		Desiré Elliah		
Holiday & Leisure Resorts Limited	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Merville Beach Hotel Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Merville Ltd	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Nereide Limited	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Oceanide Limited	Hospitality & Services	Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		
Hotel Prestige Reunion SAS	Hospitality & Services	Desiré Elliah		
Le Récif SAS	Hospitality & Services	Desiré Elliah		
Les Villas du Lagon SA	Hospitality & Services	Stephane Baras		
		Desiré Elliah		
		Jean-Claude Béga		
		Hurrydeo Ramlagun		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
The Lux Collective Ltd	Hospitality & Services	Paul Jones		
		Scott Woroch		
		Arnaud Lagesse		
		Alexis Harel		
		Julian Hagger		
		Christof Zuber (deceased)		19/02/2020
		David Amsellem	20/04/2020	
		Jean de Fondaumière		
		Hans Olbertz		
		Dev Poolovadoo (Alternate)		
		Dominik Ruhl (Alternate)		
LIRTA Ltd	Hospitality & Services	Nicolas Autrey		
		Ruben Thumiah		
		Paul Jones		
Lux Island Resort Seychelles Ltd	Hospitality & Services	Arnaud Lagesse		
		Daniela Hoareau		
		Stephanie Germain		
		Paul Jones (Alternate)		
		Bernadette Suzanne Julie (Alternate)		
Lux Hotel Management (Shanghai) Co Ltd	Hospitality & Services	Paul Jones		
		Marie Laure Ah You		
		Julian Hagger		
Island Light Vacations Ltd	Hospitality & Services	Paul Jones		
		Arnaud Lagesse		
		Guillaume Valet		
Salt Hospitality & Services Ltd	Hospitality & Services	Arnaud Lagesse		
		Paul Jones		
		Julian Hagger		
The Lux Collective Pte Ltd	Hospitality & Services	Paul Jones		
		Marie Laure Ah You		
		Arnaud Lagesse		
Palm Boutique Hotel Ltd	Hospitality & Services	Arnaud Lagesse		
		Paul Jones		
		Deodass Poolovadoo		
		Guillaume Valet		
Arcadia Travel Limited	Hospitality & Services	Daniel Ah Chong		
		Krishnah Gooroosawmy	01/10/2019	
		Philippe Hannelas		
IBL Life Ltd	Life & Technologies	Thierry Lagesse		
		Martine de Fleuriot de la Colinière		
		Jan Boullé		
		Arnaud Lagesse		
		Hubert Leclézio		
		Jean François Loumeau		
		François Rivalland		
CIDP Holding	Life & Technologies	Arnaud Lagesse		
		Agathe Desvaux de Marigny		
		Hubert Leclézio		
		Claire Blazy Jauzac		
		Gerard Le Fur		
		Geraldine Jauffret		
		Jean François Loumeau		
		Preetee Jhamna		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Services Gestion des Compagnies Ltée	Life & Technologies	Hubert Leclézio		
		Geraldine Jauffret		
		Jean François Loumeau		
CIDP Preclinical Ltd	Life & Technologies	Geraldine Jauffret		
		Claire Blazy Jauzac		
		Jean François Loumeau		
Centre International de Developpement Pharmaceutique Pte Ltée	Life & Technologies	Geraldine Jauffret		
		Jean François Loumeau		
CIDP India Ltd	Life & Technologies	Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret		
CIDP Biotech India Private Limited	Life & Technologies	Claire Blazy		
		Jean Louis Roule		
		Rashi Nangia		
		Annie Jain		
CIDP International	Life & Technologies	Agathe Desvaux de Marigny		
		Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret		
CIDP Biotechnology SRL	Life & Technologies	Christophe Harel		
		Claire Blazy		
		Jean Louis Roule		
CIDP Brasil Ltd	Life & Technologies	Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret		
CIDP Do Brasil Pesquisas Clinicas Ltda	Life & Technologies	Thais Junqueira Schmidt Pontes		
Centre de Phytotherapie et de Recheche Ltée	Life & Technologies	Claire Blazy Jauzac		
		Geraldine Jauffret		
		Hubert Leclézio		
		Jean François Loumeau		
CIDP Singapore Ltd	Life & Technologies	Sabrina Bungaroo Sonea		
		Claire Blazy Jauzac		
		Geraldine Jauffret		
Centre International de Development Pharmaceutique Pte. Ltd.	Life & Technologies	Lam Pak Ng Lim Sit Chen		
		Lordan Angelica		
Plat Form Laser	Life & Technologies	Gérard Crépet		
		Geraldine Jauffret		
HealthScape Ltd	Life & Technologies	Geraldine Jauffret	07/08/2019	
		Yannick Ulcoq	07/08/2019	02/06/2020
		Dipak Chummun	02/06/2020	
		Christine Marot	02/06/2020	
		Ravi Prakash (Robin) Hardin	02/06/2020	
Air Mascareignes Limitée	Logistics	Marie Joseph Male		
		Dipak Chummun		
		Daniel Ah Chong		
Australair General Sales Agency Ltd	Logistics	Jean Marc Grazzini		
		Dipak Chummun		
		Krishnah Gooroosawmy (Alternate)	01/10/2019	
		Daniel Ah Chong		
		Pierre Bosse		

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Australair GSA Comores SARL	Logistics	Josian Caetan		
Australair GSA Mada SA	Logistics	Avo Andriantsisosotra		
Ground 2 Air Ltd	Logistics	Patrice Robert		
		Philippe Hannelas		
		Krishnah Gooroosawmy	01/10/2019	
		Daniel Ah Chong		
Equity Aviation Comores SARL	Logistics	Josian Caetan		
G2A Camas Ltd	Logistics	Daniel Ah Chong		
		Philippe Hannelas		
		Christel Barel		
		Patrick Grandoulier		
IBL Aviation Comores SARL	Logistics	Daniel Ah Chong		
IBL Cargo Village Ltd	Logistics	Daniel Ah Chong		
		Philippe Hannelas		
		Krishnah Gooroosawmy	01/10/2019	
IBL Comores SARL	Logistics	Josian Caetan		
		Devdass Ramasawmy		
		Daniel Ah Chong		
IBL Comores GSA Anjouan SARL	Logistics	Josian Caetan		
		Daniel Ah Chong		
		Devdass Ramasawmy		
Compagnie Thonière de l'Ocean Indien Ltée	Logistics	Dipak Chummun		
		Daniel Ah Chong		
IBL Fishing Company Ltd	Logistics	Dipak Chummun		
		Daniel Ah Chong		
IBL Regional Development Limited	Logistics	Daniel Ah Chong		
		Dipak Chummun		
IBL Shipping Company Ltd	Logistics	Daniel Ah Chong		
		Dipak Chummun		
I World Ltd	Logistics	Daniel Ah Chong		
		Krishnah Gooroosawmy	01/10/2019	
Logidis Limited	Logistics	Daniel Ah Chong		
		Krishnah Gooroosawmy	01/10/2019	
		Patrice Robert		
		Naden Padayachi		
		Djilani Hisaindee		01/10/2019
Mad Courrier SARL	Logistics	Daniel Ah Chong		
Mada Aviation SARL	Logistics	Daniel Ah Chong		
Reefer Operations (BVI) Limited	Logistics	Dipak Chummun		
		Djilani Hisaindee		
Seaways Marine Supplies Limited	Logistics	Dipak Chummun		
		Daniel Ah Chong		
Société Mauricienne de Navigation Ltée	Logistics	Krishnah Gooroosawmy	01/10/2019	
		Daniel Ah Chong		
Somatrans SDV Ltd	Logistics	Thierry Ehrenbogen		
		Jean-François Decotter		
		Patrice Robert		
		Daniel Ah Chong		
Somatrans SDV Logistics Limited	Logistics	Daniel Ah Chong		
		Krishnah Gooroosawmy	01/10/2019	
		Jean-François Decotter		
Southern Seas Shipping Company Limited	Logistics	Daniel Ah Chong		
		Djilani Hisaindee		
		Dipak Chummun		

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
IBL LAS Support Ltd	Logistics	Daniel Ah Chong		
		Krishnah Gooroosawmy	01/10/2019	
		Dipak Chummun		
Bloomage Ltd	Property	Dipak Chummun		
		Bernard Carayon	20/09/2019	
		Preetee Jhamna		
		Jan Boullé		
		Arnaud Lagesse		
		Jean Luc Wilain		
		Ravi Prakash (Robin) Hardin		
The Ground Collaborative Space Ltd	Property	Dipak Chummun		
		Guillaume Darga		
		Celine Planel		
		Olivier Fayolle		
		Nourayna Baichoo-Ladan		
		Murugessen Candasamy		
		Selvin Mootoosawmy		
		Ravi Prakash (Robin) Hardin		
Southern Investments Ltd	Property	Dipak Chummun		
		Maurice Planel		31/12/2019
		Ravi Prakash (Robin) Hardin		
		Patrice Robert		
BlueLife Limited	Property	Sunil Banymandhub		
		Christophe Barge		30/5/2020
		Jan Boullé		
		Jean-François de Comarmond	01/05/2020	
		Michele Anne Espitalier Noel	11/02/2020	
		Isabelle de Gaalon Decaillot		08/05/2020
		Ravi Prakash (Robin) Hardin		
		Arnaud Lagesse		
		Christine Marot		05/03/2020
Azuri Golf Management Ltd	Property	Sunil Banymandhub		
		Jan Boullé		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
Azuri Estate Management Ltd	Property	Michele Anne Espitalier Noel		
		Christine Marot		30/04/2020
		Jean-François de Comarmond	01/05/2020	
		Sunil Banymandhub		
Azuri Services Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
		Sunil Banymandhub		
Azuri Suites Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
		Sunil Banymandhub		
Azuri Watch Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
Circle Square Holding Company Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020

List of Directors – Subsidiaries

Name of subsidiary	Sector	Name of Director	Date of Appointment during the FY 2019-2020	Date of Resignation during the FY 2019-2020
Haute Rive Azuri Hotel Ltd	Property	Sunil Banymandhub		
		Jean-François de Comarmond	01/05/2020	
		Olivier Fayolle		
		Christine Marot		30/04/2020
		Jean-Luc Wilain	02/10/2019	
		Kevin Teeroovengadum		
Haute Rive Holdings Limited	Property	Sunil Banymandhub		
		Christophe Barge		30/05/2020
		Jan Boullé		
		Jean-François de Comarmond	01/05/2020	
		Isabelle de Gaalon Decaillot		08/05/2020
		Ravi Prakash (Robin) Hardin		
		Arnaud Lagesse		
		Michele Anne Espitalier Noel	01/05/2020	
		Christine Marot		30/04/2020
		Roshan Ramoly	26/09/2019	
		Jean-Luc Wilain		
Haute Rive IRS Company Limited	Property	Sunil Banymandhub		
		Jean-François de Comarmond	01/05/2020	
		Jan Boullé		
		Christine Marot		30/04/2020
Haute Rive Ocean Front Living Ltd	Property	Sunil Banymandhub		
		Jean-François de Comarmond	01/05/2020	
		Jan Boullé		
		Christine Marot		30/04/2020
Haute Rive PDS Company Ltd	Property	Sunil Banymandhub		
		Jean-François de Comarmond	01/05/2020	
		Jan Boullé		
		Christine Marot		30/04/2020
HR Golf Holding Ltd	Property	Sunil Banymandhub		
		Jean-François de Comarmond	01/05/2020	
		Jan Boullé		
		Christine Marot		30/04/2020
Les Hauts Champs 2 Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
Life in Blue Limited	Property	Michele Anne Espitalier Noel		
		Christine Marot		30/04/2020
		Jean-François de Comarmond	01/05/2020	
		Nicolas Rey		
		Sebastien Bax de Keating		
		Gregory Mayer		
		Harold Mayer		
Ocean Edge Property Management Company Ltd	Property	Michele Anne Espitalier Noel		
		Jean-François de Comarmond	01/05/2020	
		Christine Marot		30/04/2020
		Sunil Banymandhub		
PL Resort Ltd	Property	Sunil Banymandhub		
		Olivier Fayolle		
		Jean-François de Comarmond	01/05/2020	
		Jean-Luc Wilain	02/10/2019	
		Christine Marot		30/04/2020
		Kevin Teeroovengadum		
Aquatic Proteins Private Limited	Seafood	Amit Verma		
		John Tharakan Abraham		
		Dipak Chummun		
		Patrice Robert		
		Cougen Purseramen		
		Tharakan Keya		
Cervonic Ltd	Seafood	Patrice Robert		
		Cougen Purseramen		
		Dipak Chummun		
Froid des Mascareignes Ltd	Seafood	Daniel Ah Chong		
		Kepa Echevarria		
		Maurice Rault		
		Patrice Robert		
		Aruna Devi Bunwaree-Ramsaha		
		Preetee Jhamna		
		Benoit Barbeau		
		Cougen Purseramen		
Transfroid Ltd	Seafood	Daniel Ah Chong		
		Kepa Echevarria		
		Maurice Rault		
		Patrice Robert		
		Aruna Devi Bunwaree-Ramsaha		
		Preetee Jhamna		
		Cougen Purseramen		
IBL Biotechnology Investment Holdings Ltd	Seafood	Dipak Chummun		
		Jean Luc Wilain		
IBL Biotechnology (Mauritius) Ltd	Seafood	Jesper Simonsen		
		Fabrizio Merlo		
		Emmanuel André		
IBL India Investments Ltd	Seafood	Patrice Robert		
		Dipak Chummun		
		Jean Luc Wilain		
IBL Gabon Investments Limited	Seafood	Dipak Chummun		
		Jean Luc Wilain		
IBL Seafood Support Services Ltd	Seafood	Francoise Chan Pak Choon		
		Cougen Purseramen		
IBL Ugandan Holdings 1 Limited	Seafood	Dipak Chummun		
		Daniel Ah Chong		
IBL Biotechnology International Ltd	Seafood	Dipak Chummun		
		Jean Luc Wilain		
Marine Biotechnology Products Ltd	Seafood	Cougen Purseramen		
		Patrice Robert		
		Abdulla Elahee Doomun		
Marine Biotechnology International Ltd	Seafood	Dipak Chummun		
		Patrice Robert		
Seafood Hub Limited	Seafood	Kepa Echevarria		
		Ignacio Ibarra		
		Dipak Chummun		
		Patrice Robert		
		Jean Luc Wilain		

Statement of Directors' Responsibilities

in respect of the preparation of consoilidated and separate financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, comprising of the statements of financial position as at 30 June 2020, the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and the Financial Reporting Act 2004. In preparing these consolidated and separate financial statements, Directors confirm that they have:

- Selected suitable accounting policies and then apply them consistently;
- Made judgements and accounting estimates that are reasonable and prudent;
- Stated that International Financial Reporting Standards have been adhered to, subject to any material departures being disclosed and explained in the financial statements;
- Prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business; and
- Ensured application of the Code of Corporate Governance and provide dreasons in case of non-application with the Code.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy at any time, the financial position of the Company and the Group, to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. Directors have the duty to safeguard the assets of the Company and the Group, and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for maintaining an effective system of internal control and risk management.

The Directors hereby confirm that they have complied with the above requirements.

Approved by the Board of Directors on 3 December 2020 and signed on its behalf by

Jan Boullé
Chairman of the Board of Directors

Isabelle de Melo
Director

3 December 2020

Financial Statements

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IBL Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 184 to 195 which comprise the statements of financial position as at 30 June 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of Group and Company as at 30 June 2020, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected credit loss under IFRS 9 IFRS 9 Financial Instruments requires an entity to incorporate reasonable and supportable information about past events, current conditions and forecasted future economic conditions into the assessment of expected credit losses ("ECL") for trade and other receivables. Such an assessment should be based on information at the reporting date and adjusted for subsequent available information where applicable. The current year results were affected by ECL charges of Rs 248.9 million and Rs 335.4 million at Group and Company level respectively. ECLs are calculated both for individually significant receivables and collectively on a portfolio basis which require the use of statistical models incorporating loss data and assumptions on the recoverability of customers' outstanding balances. The Covid-19 pandemic has given rise to uncertainty in the economic conditions and IFRS 9 requires management to incorporate forecasts of future economic conditions on a probability weighted basis. The Group has refined its model to take into account the severity and potential impact of the pandemic on the expected losses of financial assets.	**Procedures performed on trade and other receivables at Group and Company level:** We verified whether the ECL methodology developed by management for trade and other receivables and loans receivable from related parties are consistent with the requirements of IFRS 9. We tested management's key assumptions and judgements used in the models to determine the expected credit loss such as the loss rate by comparing these to historical data. We also ensured the completeness and internal consistency of data used and its mathematical accuracy by performing the following procedures: (1) testing the age buckets per industry balances of the balances due for the relevant periods (2) ensuring proper allocation of payments (3) agreeing the balances at year end to source data such as the general ledger (4) verifying that the formulas were properly applied throughout to obtain the expected credit loss (5) testing the classification of individual debtors by industry. We also ensured that the overlay applied on top of the probability of default to the different industry sectors analysed between low, medium and high risk was reasonable.

Key Audit Matter	How the matter was addressed in the audit
The calculation of ECLs is complex and involves several judgmental assumptions. As a result, ECL calculation been identified as a key audit matter. Refer to Notes 2(B), 3 and 28(b) to the consolidated financial statements for the accounting policies and the relevant disclosure.	**Procedures performed on trade and other receivables at Group and Company level:** We ensured whether the related parties can repay their amount due (current accounts and shareholder's loan) based on their unrestricted cash position at year end where the full amount cannot be repaid, the recovery period of the balances is determined based on the cash flow forecast of the borrower. We tested the underlying assumptions used in the cashflow forecasts and underlying information to source data such as budgets to ensure that the amount due is fully recoverable over management's assessed recovery period. We ensured that expected credit losses are booked where there is a shortfall of the discounted cash flow against the amount receivable at year end. We also considered the appropriateness of forward-looking information (macroeconomic factors) used to determine the expected credit losses. We reviewed the adequacy of the Group's and Company's disclosures as per notes 2(B), 3 and 28(b) in the consolidated financial statements.
Valuation of unquoted investments Both the Group and the Company hold unquoted investments which are carried at fair value through other comprehensive income and are classified as level 3 financial instruments in the fair value hierarchy. As at 30 June 2020, the fair value of these unquoted investments which comprised investments in subsidiaries, associates, joint ventures and other financial assets amounted to Rs 14.6 billion at the Company's separate financial statements. During the year under review, non-current balances of Rs 1.3 billion receivable from related parties were waived. This resulted in an equity transaction and accordingly, same amount was capitalised in investments in subsidiaries. At Group level, investments at fair value through OCI amounted to Rs 321 million as at 30 June 2020. The investments are valued using different methods ranging from price to earnings multiple, EBITDA multiple or discounted cash flow techniques. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could therefore differ from the estimates. Moreover, due to the current Covid-19 crisis, there has been a significant reduction in market transactions, including uncertainty in relation to estimation of future cash flows and other prospective financial information which are critical in the fair value estimation process. Management has disclosed the judgments and estimates used for the fair valuation of investments in note 3 to the financial statements. The disclosures relating to the valuation of unquoted investments have been provided in notes 11, 12 and 13 and 37 to the financial statements. Due to the significance of this balance in the consolidated and separate financial statements, and the significant judgments applied by management in the fair value assessment, the valuation of unquoted investments was considered as a key audit matter.	**Our procedures in relation to assessing the fair values of unquoted investment included the following:** We verified whether the ECL methodology developed by management for trade and other receivables and loans receivable from related parties are consistent with the requirements of IFRS 9. We evaluated the design and implementation of the controls over the valuation process. We have reviewed the appropriateness of the valuation methodology and models used, and whether they are in line with generally acceptable valuation guidelines and principles. Where market multiples were used, we evaluated the assessment made by management with respect to the selection of appropriate comparable listed companies and adjustments to the valuation multiples amidst economic uncertainty caused by Covid-19. Where cash flow techniques were used, we reviewed the value-in-use obtained from these cash flow forecasts and performed the following procedures: - Reviewed the Group's controls relating to the preparation and approval of cash flow forecasts; - Verified the mathematical accuracy of the cash flow model used and checked the internal inconsistency of the models; - Considered the accuracy of historical forecasts prepared by management in the prior year and compared the assumptions used in previous forecasts against actual realised amounts, thereby testing management's ability to make forecasts; - Assessed the reasonableness of the significant inputs and assumptions used in the discounted cash flow such as growth rates and discount rates, also considering illiquidity and size of holdings. - Challenged the key judgments by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans. An independent corroborative valuation on the unquoted investments was also performed to assess the reasonableness of values arrived at by management, including the assessment of the impact of Covid-19 on the variables used in the fair value calculations. In addition, we performed sensitivity analysis of a reasonable possible changes in growth rates and discount rates to evaluate the impact on the value in use calculations.

Independent Auditor's Report to the members of IBL Ltd

Key Audit Matter	How the matter was addressed in the audit
	For amounts reclassified from amount due from related parties and capitalised as part of investment in subsidiaries, we obtained relevant board resolutions and ensure that the criteria for reclassification was appropriate. We reviewed the appropriateness of the disclosures provided in accordance with IFRS 9 Financial Instruments.
Assessment of impairment of goodwill The carrying amount of goodwill recognised at Group level amounted to Rs 1.64 billion as at 30 June 2020 and an impairment loss of Rs 850.7 million was recognised during the year under review. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires 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 approved by the Board which involve judgement by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins and operating margins. The Covid-19 global pandemic arrived in Mauritius and brought with it a significant negative impact on the Mauritian economy. The pandemic has created new uncertainties around the projections of future income and growth rate assumptions and discount rates. More specifically, there is uncertainty around the duration of the pandemic and timing of the recovery of the economy. These factors have made the timing and amount of future cash flows more uncertain, when they are already inherently uncertain. Management has disclosed the accounting judgments and estimates relating to goodwill impairment review in note 3 to the financial statements. The disclosures relating to the assumptions used to determine the recoverable amount of the goodwill has been provided in note 6. 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 test of goodwill was considered as a key audit matter.	**Our procedures in relation to assessing theimpairment of goodwill included the following:** We evaluated the appropriateness of management's identification of the Group's CGUs and tested the operation of the Group's controls over the impairment assessment process. Our audit procedures included challenging management on the appropriateness of the impairment model and reasonableness of the assumptions used through performing the following: – Reviewing the Group's controls relating to the preparation and approval of cash flow forecasts; – Verifying the mathematical accuracy of the cash flow model used and checking the internal inconsistency of the models; – Assessed the reliability of cash flow forecasts through a review of actual past performance compared to previous forecasts; – Assessed the reasonableness of the significant inputs and assumptions used in the discounted cash-flow such as growth rates and discount rates, also considering illiquidity and size of holdings; – Compared the assumptions used in previous forecasts against actual realised amounts, thereby testing management's ability to make forecasts; – Challenged the key judgments by management with reference to historical trends, our own expectations based on our industry knowledge and management's strategic plans following the circumstances being imposed by the Covid-19 effect in the economy. We reviewed the working papers of the component auditors relating to the impairment of goodwill in certain material subsidiaries and discussed with them the rationale for the impairment methodology used, main assumptions, sensitivities of the impairment workings to these assumptions, their audit findings and their conclusions on the impairment in goodwill charged in these subsidiaries. We also assessed the appropriateness and completeness of the related disclosures in note 6 of the consolidated financial statements.

Independent Auditor's Report to the members of IBL Ltd

Key Audit Matter	How the matter was addressed in the audit
Valuation of employee benefit liabilities and accounting for the re-charge of employee benefit liabilities by the Company to related companies **(i) Valuation of employee benefit liabilities** The Group's and the Company's employee benefit liabilities comprise no worse off guarantees given to certain members of IBL Pension Fund and obligations under the Workers' Rights Act. The total present value of pension obligations under the defined benefit plan and the Workers' Rights Act are Rs 2.22 billion (2019: Rs 1.67 billion) and Rs 0.99 billion (2019: Rs 0.90 billion) for the Group and the Company respectively and is therefore significant. The valuation of the pension obligations under IAS 19 Employee Benefit Liabilities requires judgement in determining assumptions such as salary increases, mortality rates, discount rates and inflation levels. The Covid-19 pandemic has given rise to uncertainty in the economic conditions which impacted significantly these key assumptions, especially the discount rates and future long-term salary increases. Management has applied judgement in determining the employee benefit liabilities and has involved an actuary to assist with the IAS 19 provisions and disclosures. The setting of the assumptions identified above is complex and an area of significant judgement whereby changes in any of these assumptions could lead to a material change in employee benefit liabilities within the financial statements of the Group and the Company. A sensitivity analysis on key assumptions is set out in note 24 of the consolidated financial statements. Employee benefit liabilities are considered a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the amount of provision.	**Our procedures in relation to the valuation of the employment benefit liabilities included the following:** • Evaluated the appropriateness of the assumptions applied in the valuation of the employment benefit liabilities, and the information contained within the actuarial valuation reports with our internal pension specialist team. We compared the discount rates and annual salary increase applied with historical data and market data available at year end and ensured that they were reasonable. • We tested the completeness and accuracy of the underlying membership data provided to the actuary to determine the underlying value of the pension liability. • We assessed the competence and objectivity of the qualified actuary engaged by the Group to value the defined benefit pension obligations under IAS 19. • We assessed the completeness and accuracy of disclosures in Note 24 of the financial statements in accordance with IFRS.
(ii) Accounting for the re-charge of employee benefit liabilities by the Company to related companies The Company contributes to a group defined benefit plan, IBL Pension Fund (the 'Fund'), as one of the legal sponsoring employers. The Fund covers both current and former employees of the Company and that of its related entities. Even if the risks were shared between the entities, there were no contractual agreements or stated policy in place for IBL to re-charge the net defined benefit costs to the individual entities. Effective 1 July 2019, the Company entered into back-to-back agreements with related companies to recharge the employee benefit liabilities for both active employees and pensioners while the Company remains the legal sponsoring employer of the Fund. The impact of the above recharge of defined benefit liabilities amounting to Rs 248.2M to the relevant entities is the recognition of an income in 'other gains and losses' (note 33) and a recognition of an asset within employee benefit and related assets. The relevant disclosures with respect to this material transaction are set out in note 24 of the separate financial statements. Given the nature of the transaction, its significant effect on the Company's financial performance and relative importance for intended users' understanding the financial statements, the re-charge of the employment benefit liabilities by the Company has been identified as a key audit matter.	**Our procedures in relation to the re-charge of the defined benefit obligations included the following:** • We examined the back to back agreements in place with the relevant parties and agreed the head count and employment benefit obligations to the actuarial report. • We obtained all relevant board resolutions of the related companies with respect to their assessment and approval to recognise the underlying employment benefit liabilities with respect to active members and pensioners. • We obtained the detailed report of active employees and pensioners value dated 1 July 2019 from management's actuary. We agreed a sample of the data in this report to the underlying data for closing employee benefit liabilities as at 30 June 2019. • We assessed the appropriateness of the accounting for the re-charge of the defined benefit liabilities including any deferred tax impact considerations. • We evaluated the adequacy of the disclosures in the Company's separate financial statements in respect of the pension liabilities re-charged by the Company to related companies.

Independent Auditor's Report to the members of IBL Ltd

Key Audit Matter	How the matter was addressed in the audit
Implementation of IFRS 16 - Leases The Group adopted IFRS 16 effective as from 1 July 2019. IFRS 16 replaces the previous IAS 17 standard and specifies how leases are recognised, measured and disclosed. The Group applied the new standard in accordance with the modified retrospective method. As of 30 June 2020, right of use assets and lease liabilities in the consolidated statement of financial position amounted to Rs 5.11 billion and Rs 4.65 billion respectively. Right of use assets account for 10.3% of total non-current assets and thus have a material impact on the Group's financial position. The Group as a lessee has a significant number of assets and a large number of arrangements which were previously classified as operating leases under IAS 17 'Leases' and held off balance sheet. These are now recognised within assets and liabilities under IFRS 16. The measurement of a right-of-use asset and its corresponding lease liability is based on assumptions such as the discount rates and lease terms, including terminal and renewal options. The calculation of the lease terms and the incremental borrowing rates used as discount rates are based on estimates and can also be discretionary. Management has disclosed the transitional impact of adopting IFRS 16 in Note 2A to the consolidated financial statements whilst the lease-related information comprising of the Group as lessee and lessor has been disclosed in Note 16 to the consolidated financial statements. The assessment of the impact of IFRS 16 is significant to our audit as the balances recorded are material in the consolidated financial statements. As judgement is required for the calculation, this is considered as a key audit matter.	**Our audit procedures in relation to assessing the impact of IFRS 16 — Leases on the Group's financial statements included the following:** • Obtained an understanding and evaluated the Group's implementation process and key controls, including the review of the updated accounting policy in accordance with IFRS 16. • We evaluated the appropriateness of management assumptions including the discount rates applied to determine the lease liabilities with input from our internal specialist and renewal/ termination options • We verified the accuracy and completeness of the right-of -use assets and lease liabilities by performing the following: - Agreeing a sample of lease data such as monthly rental and lease terms to relevant lease contracts and other documentation. - Recalculating the lease liability and right of use assets for a sample of leases to check clerical accuracy and ensure in line with IFRS 16. - Reviewing the rental expensed in the statement of profit or loss and checked whether they contain a lease under IFRS 16. • We reviewed the working papers of the component auditors relating to the implementation of IFRS 16 in certain material subsidiaries and discussed with them the transition approach adopted for the implementation of IFRS 16, main assumptions concerning the lease terms, the rationale of the discount rate determination, their audit findings and their conclusions on the outcome of the reported figures for right-of-use assets and lease liabilities. • We assessed whether the Group's accounting policy and disclosures under the requirements of IFRS 16 are appropriate within the consolidated financial statements.
Valuation of insurance contract liabilities (gross outstanding claims) short-term insurance Insurance contract liabilities (gross outstanding claims) amount to Rs 1.56 billion and is disclosed in Note 41 to the consolidated financial statements. The valuation of general insurance loss reserves involves a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses a range of actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgement relating to factors and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, some catastrophic events can be more complex to model actuarial methodologies, which increase the degree of judgement needed in estimating general insurance loss reserves.	**Our audit procedures in relation to the valuation of insurance contract liabilities (gross outstanding claims) included the following:** We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"). In particular, we tested the controls over the integrity of data and the assumptions setting and governance processes used by management related to the valuation of general insurance reserves. In relation to the particular matters set out above, our substantive testing procedures included the following: • We reviewed the documentation around outstanding claims which are high in value and involving longer settlement periods and tested management best estimates of the settlement outcome. Where appropriate we obtained legal confirmation to corroborate management's assessment. • We tested the completeness and accuracy of underlying claims data that are sent to the actuary in estimating general insurance loss reserves. This includes the testing of information sent to the actuary for the determination of IBNR;

Independent Auditor's Report to the members of IBL Ltd

Key Audit Matter	How the matter was addressed in the audit
Given its complexity and significance the valuation of insurance contract liabilities-short term insurance has been considered as a key audit matter.	• We evaluated the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements; • We evaluated management's methodology and assumptions against actuarial practices and industry standards; and • We evaluated whether the actuary has the relevant expertise and experience in this field.
Fair Valuation of Investment Properties Including Land and Buildings in Property, Plant and Equipment The Group has investment properties of Rs 2.8 billion at 30 June 2020 and accounts for 4.31% of total assets. As detailed in note 3 to the financial statements, these are measured at fair value, with the corresponding changes in fair values being recognised in the statement of profit or loss. The investment properties have been fair valued by independent external valuers and management's internal expert as detailed in Note 5 to the financial statements. Significant judgements have been used by management's internal valuer and the independent external valuers in determining the fair value of investment properties. Accordingly, the valuation of properties is a key audit matter due to the significance of the balance to the financial statements as a whole and the level of judgement involved.	**Our procedure in relation to the valuation of investment properties including land and buildings included the following:** We reviewed the working papers and deliverables of the component auditors and the substantive testing procedures included the following: • We have obtained, read and understood the 2020 reports from the independent valuation specialists and management's internal expert. We have tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the external property valuers and management's internal expert. We have assessed the competence, capabilities and objectivity of the management's internal expert and the independent external valuers. We also verified the qualifications of the internal and external valuers. • We have verified the appropriateness of the models used by the independent external valuers and the internal management's expert and reviewed the scope of work with management to ensure that there were no matters affecting the internal and external valuers' judgements. Other audit procedures also included challenging key assumptions adopted in the valuations and reasonableness of the assumptions used through performing the following: • Tested a selection of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable. • We discussed the valuations with the external property valuers and the internal management's expert, and challenged the key assumptions comprising of the discount rate and capitalisation rate adopted in the valuations, including available market selling prices, market rents and by comparing them with historical rates and other available market data. We performed a sensitivity analysis using the key assumptions used. • We ensured the reasonableness of the inputs and assumptions used in the context of Covid-19 pandemic. We have ensured that proper disclosures have been made in respect of valuation of investment properties whilst attesting the transfers made from property, plant and equipment to investment properties in the consolidated financial statements. We have reviewed the significant estimates and critical judgements and ensured that adequate disclosures as per IAS 40 Investment Property have been in the consolidated financial statements.

Independent Auditor's Report to the members of IBL Ltd

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statement of Directors, Statement of Compliance, List of Directors of Subsidiaries, Certificate from the Company Secretary and Risks Management Report, which we obtained prior to the date of this auditor's report. The other elements of the Integrated Report are expected to be made avaliable to us after the date of this auditor's report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements as well as the Corporate Governance Report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Corporate Governance Report

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

Responsibilities of the Directors for the 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 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 or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the 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 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 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 director's 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's 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 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 or the Company to cease to continue as a going concern.

Independent Auditor's Report to the members of IBL Ltd

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 and the Company to express an opinion on the Group and Company 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 shareholders, 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 shareholders 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 shareholders, 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 Group and the Company other than in our capacities as auditor, tax advisor and dealings in the ordinary course of business.

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

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

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

ROGER DE CHAZAL, A.C.A.
Licensed by FRC

4 December 2020

Statements of Financial Position as at 30 June 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE GROUP 2018 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000	THE COMPANY 2018 (Restated) Rs'000
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	4	**28,355,603**	26,403,597	26,672,207	**588,529**	471,603	555,047
Investment properties	5	**2,857,422**	2,892,786	2,306,529	**-**	-	-
Intangible assets	6	**2,168,837**	3,668,387	3,561,951	**34,282**	41,185	71,893
Deferred tax assets	7	**588,737**	170,115	359,277	**116,205**	87,228	60,563
Bearer biological assets	8	**-**	-	3,541	**-**	-	-
Right of use assets	16	**5,108,832**	-	-	**64,109**	-	-
Non-current receivables	17	**44,012**	176,347	4,541	**183,026**	577,991	-
Employee benefit and related assets	24	**11,324**	4,894	5,179	**437,712**	-	-
Non-current contract assets	29	**84,304**	91,007	-	**-**	-	-
Investment in:							
- Subsidiaries	11	**-**	-	-	**18,441,550**	20,591,541	22,077,283
- Associates	12	**9,472,435**	8,938,782	8,821,876	**5,325,526**	5,323,601	5,893,567
- Joint ventures	13	**117,057**	113,333	202,897	**302,580**	347,679	347,002
- Other financial assets	14	**729,273**	573,364	980,593	**122,369**	122,294	161,465
		10,318,765	9,625,479	10,005,366	**24,192,025**	26,385,115	28,479,317
		49,537,836	43,032,612	42,918,591	**25,615,888**	27,563,122	29,166,820
CURRENT ASSETS							
Consumable biological assets	9	**45,776**	49,664	34,627	**-**	-	-
Inventories	15	**5,260,298**	4,878,588	4,282,300	**961,437**	874,000	827,955
Trade and other receivables	18	**5,401,235**	6,390,215	6,594,663	**1,047,314**	1,094,535	1,474,202
Contract assets	29	**507,256**	612,736	-	**-**	-	-
Gross outstanding claims - Reinsurance assets	41	**916,482**	1,159,943	894,616	**-**	-	-
General insurance fund - Reinsurance assets	42(a)	**194,669**	227,600	260,175	**-**	-	-
Current tax assets	26	**72,265**	72,404	67,683	**4,965**	4,694	3,266
Other current financial assets	14	**179,643**	485,728	173,452	**-**	-	-
Cash and cash equivalents		**3,246,736**	2,124,154	1,799,943	**640,033**	323,752	68,430
		15,824,360	16,001,032	14,107,459	**2,653,749**	2,296,981	2,373,853
Assets classified as held for sale	21	**921,518**	699,384	1,845,878	**-**	-	174,926
TOTAL ASSETS		**66,283,714**	59,733,028	58,871,928	**28,269,637**	29,860,103	31,715,599

Statements of Financial Position as at 30 June 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE GROUP 2018 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000	THE COMPANY 2018 (Restated) Rs'000
EQUITY AND LIABILITIES							
Stated capital	20(a)	**1,361,941**	1,361,941	1,361,941	**1,361,941**	1,361,941	1,361,941
Restricted redeemable shares	20(b)	**5,000**	5,000	5,000	**5,000**	5,000	5,000
Revaluation and other reserves		**6,072,422**	5,185,914	5,519,993	**8,853,218**	12,394,823	14,732,855
Retained earnings		**6,624,092**	9,013,129	9,510,823	**5,054,408**	5,842,812	6,070,675
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**14,063,455**	15,565,984	16,397,757	**15,274,567**	19,604,576	22,170,471
NON-CONTROLLING INTERESTS		**11,097,260**	11,520,953	11,423,851	**-**	-	-
TOTAL EQUITY		**25,160,715**	27,086,937	27,821,608	**15,274,567**	19,604,576	22,170,471
NON-CURRENT LIABILITIES							
Borrowings	22	**13,687,142**	11,009,912	11,285,303	**7,000,000**	3,341,820	4,450,702
Lease liabilities	16	**4,177,963**	-	-	**48,265**	-	-
Employee benefit and related liabilities	24	**3,211,779**	2,069,088	1,840,025	**1,202,660**	793,006	851,887
Government grants	27	**33,923**	40,477	50,688	**-**	-	-
Deferred tax liabilities	7	**1,012,712**	920,785	1,183,246	**-**	-	-
Other payables	23	**126,633**	100,170	54,957	**78,562**	62,992	37,641
		22,250,152	14,140,432	14,414,219	**8,329,487**	4,197,818	5,340,230
CURRENT LIABILITIES							
Borrowings	22	**7,991,695**	8,702,179	6,724,051	**2,921,299**	5,143,800	3,367,698
Lease liabilities	16	**474,087**	-	-	**18,019**	-	-
Trade and other payables	25	**7,074,944**	6,547,779	6,539,626	**1,460,978**	913,909	837,200
Gross outstanding claims	41	**1,558,839**	1,709,892	1,318,702	**-**	-	-
General insurance fund	42(a)	**455,380**	576,605	582,718	**-**	-	-
Contract liabilities	29	**475,707**	313,159	-	**-**	-	-
Dividend payable	19	**353,837**	74,088	84,531	**265,287**	-	-
Current tax liabilities	26	**33,633**	146,072	82,565	**-**	-	-
Government grants	27	**12,869**	10,037	10,069	**-**	-	-
		18,430,991	18,079,811	15,342,262	**4,665,583**	6,057,709	4,204,898
Liabilities associated with assets classified as held for sale	21	**441,856**	425,848	1,293,839	**-**	-	-
TOTAL LIABILITIES		**41,122,999**	32,646,091	31,050,320	**12,995,070**	10,255,527	9,545,128
TOTAL EQUITY AND LIABILITIES		**66,283,714**	59,733,028	58,871,928	**28,269,637**	29,860,103	31,715,599

Approved by the Board of Directors and authorised for issue on 03 December 2020.

Jan Boullé
Chairman of the Board of Directors

Isabelle de Melo
Director

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Profit or Loss for the year ended 30 June 2020

		THE GROUP		THE COMPANY	
		2020	2019 (Restated)	**2020**	2019 (Restated)
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Continuing operations					
Revenue from contracts with customers	29 (a)	**35,307,774**	37,799,306	**4,376,679**	4,227,173
Gross insurance premiums	29(b)	**1,410,717**	1,156,984	**-**	-
Rental income	29(c)	**68,404**	69,895	**-**	-
Dividend income	29(d)	**22,417**	24,283	**601,904**	879,116
Revenue	29	**36,809,312**	39,050,468	**4,978,583**	5,106,289
Cost of sales		**(25,478,566)**	(26,874,351)	**(3,435,925)**	(3,254,739)
Reinsurance premiums ceded		**(846,200)**	(625,579)	**-**	-
Release from/(to) general insurance fund		**88,294**	(26,462)	**-**	-
Gross profit		**10,572,840**	11,524,076	**1,542,658**	1,851,550
Other income	30	**940,099**	669,552	**300,799**	222,385
Administrative expenses	28(a)	**(10,426,967)**	(9,570,477)	**(1,528,075)**	(1,457,255)
Expected credit losses - (Provision)/Reversal	28(b)	**(248,897)**	5,555	**(335,421)**	(18,021)
Gross claims paid	42(b)	**(815,316)**	(963,379)	**-**	-
Claims recovered from reinsurers	42(b)	**431,055**	545,988	**-**	-
Operating profit		**452,814**	2,211,315	**(20,039)**	598,659
Interest income using the EIR method	31	**48,644**	22,382	**56,951**	52,488
Finance costs	32	**(1,261,237)**	(911,579)	**(361,982)**	(326,046)
Impairment of goodwill	6	**(850,763)**	(146,960)	**-**	-
Impairment of investment in associates	12(a)	**(198,612)**	(20,544)	**-**	-
Impairment of investment in joint ventures	13	**-**	(4,168)	**-**	-
Other gains and losses	33	**(26,749)**	169,900	**241,012**	155,626
Share of results of associates	12	**539,050**	410,937	**-**	-
Share of results of joint ventures	13	**29,385**	30,369	**-**	-
(Loss)/profit before tax		**(1,267,468)**	1,761,652	**(84,058)**	480,727
Tax expense	26	**(136,560)**	(427,748)	**(25,238)**	(20,164)
(Loss)/profit for the year from continuing operations		**(1,404,028)**	1,333,904	**(109,296)**	460,563
Discontinued operations					
Loss for the year from discontinued operations	21	**(22,124)**	(32,061)	**-**	-
(Loss)/profit for the year	28	**(1,426,152)**	1,301,843	**(109,296)**	460,563

Statements of Profit or Loss for the year ended 30 June 2020

		THE GROUP		THE COMPANY	
		2020	2019 (Restated)	**2020**	2019 (Restated)
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Attributable to:					
- Owners of the Company		**(1,191,133)**	339,784	**(109,296)**	460,563
- Non-controlling interests		**(235,019)**	962,059	**-**	-
		(1,426,152)	1,301,843	**(109,296)**	460,563
(Loss)/earnings per share (Rs)					
Basic and diluted:					
- From continuing and discontinued operations	40	**(1.75)**	0.50		
- From continuing operations	40	**(1.72)**	0.55		
- From discontinuing operations	40	**(0.03)**	(0.05)		

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Comprehensive Income for the year ended 30 June 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000
(Loss)/profit for the year		**(1,426,152)**	1,301,843	**(109,296)**	460,563
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Share of OCI of associates / joint ventures		**6,342**	283	**-**	-
Net (loss)/gain on equity instruments at FVTOCI	(a)	**(54,672)**	42,134	**(3,541,606)**	(2,301,176)
Revaluation of land and buildings	4	**905,393**	88,639	**-**	-
Deferred tax on revaluation of land and buildings	7	**(100,435)**	36,093	**-**	-
Reversal of revaluation reserve		**-**	(392,864)	**-**	-
Remeasurement of employee benefit liabilities	24	**(1,173,827)**	(339,761)	**(318,277)**	(63,660)
Deferred tax on remeasurement of employee benefit liabilities	7	**169,979**	75,912	**54,107**	10,822
Remeasurement of employee benefit liabilities - share of associates and joint ventures		**(57,200)**	(3,750)	**-**	-
		(304,420)	(493,314)	**(3,805,776)**	(2,354,014)
Items that may be reclassified subsequently to profit or loss					
Fair value adjustment realised on disposal		**-**	(163)	**-**	(163)
Cash flow hedge movements	22	**(168,082)**	121	**-**	-
Deferred tax on cash flow hedge movements	7	**32,345**	-	**-**	-
Exchange differences on translating foreign operations		**516,083**	58,513	**-**	-
Deferred tax relating to components of other comprehensive income		**-**	(297)	**-**	-
Other movements in reserves		**(17,778)**	(39,557)	**-**	-
Share of OCI of associates / joint ventures		**260,307**	1,969	**-**	-
Total other comprehensive income/(loss)		**318,455**	(472,728)	**(3,805,776)**	(2,354,177)
Total comprehensive income for the year		**(1,107,697)**	829,115	**(3,915,072)**	(1,893,614)

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Comprehensive Income for the year ended 30 June 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000
Attributable to:					
- Owners of the Company		**(1,014,730)**	59,463	**(3,915,072)**	(1,893,614)
- Non-controlling interests		**(92,967)**	769,652	**-**	-
		(1,107,697)	829,115	**(3,915,072)**	(1,893,614)
Total comprehensive income for the year analysed as follows:					
Continuing operations		**(1,085,573)**	861,176	**(3,915,072)**	(1,893,614)
Discontinued operations		**(22,124)**	(32,061)	**-**	-
		(1,107,697)	829,115	**(3,915,072)**	(1,893,614)

(a) The(decrease)/increase in fair value is analysed as follows:

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 Rs'000
Subsidiaries	11	**-**	-	**(3,499,720)**	(1,762,258)
Associates	12	**-**	-	**1,925**	(530,799)
Joint ventures	13	**-**	-	**(45,099)**	677
Other financial assets	14	**(54,625)**	41,971	**1,288**	(11,879)
		(54,625)	41,971	**(3,541,606)**	(2,304,259)

Statements of Changes in Equity for the year ended 30 June 2020

Statements of Changes in Equity for the year ended 30 June 2020

ATTRIBUTABLE TO EQUITY HOLDERS OWNERS

THE GROUP	Issued capital Rs'000	Restricted redeemable shares Rs'000	Revaluation reserves Rs'000	Currency translation reserves Rs'000
At 1 July 2018				
– As previously stated	1,361,941	5,000	2,644,167	37,135
– Prior year adjustments	–	–	–	–
– As restated	1,361,941	5,000	2,644,167	37,135
Profit for the year	–	–	–	–
Other comprehensive (loss)/income for the year	–	–	(130,400)	14,474
Total comprehensive (loss)/income for the year	–	–	(130,400)	14,474
Acquisition of subsidiaries	–	–	–	–
Changes in percentage holding in subsidiaries	–	–	–	–
Transfer of excess revaluation reserve on impairment of property	–	–	(49,157)	–
Revaluation surplus realised on depreciation	–	–	(4,514)	–
Other movements in reserves and retained earnings	–	–	(28,830)	767
Other movements in reserves and non controlling interests	–	–	–	–
Shares issued to non controlling interests	–	–	–	–
Dividends paid to non controlling interests	–	–	–	–
Dividends (Note 19)	–	–	–	–
Loss on share buy-back of NCI* in subsidiary	–	–	–	–
Disposal of subsidiary	–	–	–	–
At 30 June 2019	1,361,941	5,000	2,431,266	52,376
At 1 July 2019				
– As previously stated	**1,361,941**	**5,000**	**2,431,266**	**52,376**
– Effect of adopting new accounting standards	**–**	**–**	**–**	**–**
– As restated	**1,361,941**	**5,000**	**2,431,266**	**52,376**
Profit for the year	**–**	**–**	**–**	**–**
Other comprehensive income/(loss) for the year	**–**	**–**	**380,489**	**522,356**
Total comprehensive income/(loss) for the year	**–**	**–**	**380,489**	**522,356**
Changes in percentage holding in subsidiaries (Note 38)	**–**	**–**	**–**	**–**
Revaluation surplus realised on depreciation	**–**	**–**	**(80,959)**	**–**
Dividends paid to non controlling interests (Note 19)	**–**	**–**	**–**	**–**
Dividends (Note 19)	**–**	**–**	**–**	**–**
At 30 June 2020	**1,361,941**	**5,000**	**2,730,796**	**574,732**

ATTRIBUTABLE TO EQUITY HOLDERS OWNERS

THE GROUP	Fair value reserves Rs'000	*(Note (a))* Other reserves Rs'000	Capital contribution reserve Rs'000	Retained earnings Rs'000	Total Rs'000	Non controlling interests Rs'000	Total equity Rs'000
At 1 July 2018							
– As previously stated	(18,811)	307,456	2,382,387	9,943,790	16,663,065	11,408,093	28,071,158
– Prior year adjustments	–	–	–	(564,431)	(564,431)	(28,863)	(593,294)
– As restated	(18,811)	307,456	2,382,387	9,379,359	16,098,634	11,379,230	27,477,864
Profit for the year	–	–	–	339,784	339,784	962,059	1,301,843
Other comprehensive (loss)/income for the year	21,555	10,346	–	(196,296)	(280,321)	(192,407)	(472,728)
Total comprehensive (loss)/income for the year	21,555	10,346	–	143,488	59,463	769,652	829,115
Acquisition of subsidiaries	–	–	–	–	–	191	191
Changes in percentage holding in subsidiaries	–	–	–	68,736	68,736	(206,368)	(137,632)
Transfer of excess revaluation reserve on impairment of property	–	–	–	49,157	–	–	–
Revaluation surplus realised on depreciation	–	–	–	4,514	–	–	–
Other movements in reserves and retained earnings	–	(661)	–	28,724	–	–	–
Other movements in reserves and non controlling interests	–	–	–	(3,326)	(3,326)	3,326	–
Shares issued to non controlling interests	–	–	–	–	–	167,410	167,410
Dividends paid to non controlling interests	–	–	–	–	–	(581,314)	(581,314)
Dividends (Note 19)	–	–	–	(523,773)	(523,773)	–	(523,773)
Loss on share buy-back of NCI* in subsidiary	–	–	–	(134,305)	(134,305)	–	(134,305)
Disposal of subsidiary	–	–	–	555	555	(11,174)	(10,619)
At 30 June 2019	2,744	317,141	2,382,387	9,013,129	15,565,984	11,520,953	27,086,937
At 1 July 2019							
– As previously stated	**2,744**	**317,141**	**2,382,387**	**9,013,129**	**15,565,984**	**11,520,953**	**27,086,937**
– Effect of adopting new accounting standards	**–**	**–**	**–**	**(67,391)**	**(67,391)**	**–**	**(67,391)**
– As restated	**2,744**	**317,141**	**2,382,387**	**8,945,738**	**15,498,593**	**11,520,953**	**27,019,546**
Profit for the year	**–**	**–**	**–**	**(1,191,133)**	**(1,191,133)**	**(235,019)**	**(1,426,152)**
Other comprehensive income/(loss) for the year	**6,291**	**58,331**	**–**	**(791,064)**	**176,403**	**142,052**	**318,455**
Total comprehensive income/(loss) for the year	**6,291**	**58,331**	**–**	**(1,982,197)**	**(1,014,730)**	**(92,967)**	**(1,107,697)**
Changes in percentage holding in subsidiaries (Note 38)	**–**	**–**	**–**	**(5,471)**	**(5,471)**	**(2,602)**	**(8,073)**
Revaluation surplus realised on depreciation	**–**	**–**	**–**	**80,959**	**–**	**–**	**–**
Dividends paid to non controlling interests (Note 19)	**–**	**–**	**–**	**–**	**–**	**(328,124)**	**(328,124)**
Dividends (Note 19)	**–**	**–**	**–**	**(414,937)**	**(414,937)**	**–**	**(414,937)**
At 30 June 2020	**9,035**	**375,472**	**2,382,387**	**6,624,092**	**14,063,455**	**11,097,260**	**25,160,715**

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

NCI*: Non controlling interests

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Changes in Equity for the year ended 30 June 2020

THE COMPANY	Stated capital Rs'000	Restricted redeemable shares Rs'000	Fair value reserve Rs'000	Revaluation reserve Rs'000	Capital contribution reserve Rs'000	Retained earnings Rs'000	Total Rs'000
At 1 July 2018							
– As previously stated	1,361,941	5,000	9,156,000	193,103	5,383,752	6,404,575	22,504,371
– Prior year adjustments (Note 43)	–	–	–	–	–	(333,900)	(333,900)
– Effect of adopting IFRS 9 and IFRS 15*	–	–	–	–	–	(148,508)	(148,508)
– As restated	1,361,941	5,000	9,156,000	193,103	5,383,752	5,922,167	22,021,963
Profit for the year	–	–	–	–	–	460,563	460,563
Other comprehensive income for the year	–	–	(2,301,339)	–	–	(52,838)	(2,354,177)
Total comprehensive income for the year	–	–	(2,301,339)	–	–	407,725	(1,893,614)
Movement in reserves	–	–	(36,693)	–	–	36,693	–
Dividend (Note 19)	–	–	–	–	–	(523,773)	(523,773)
At 30 June 2019	1,361,941	5,000	6,817,968	193,103	5,383,752	5,842,812	19,604,576
At 1 July 2019	**1,361,941**	**5,000**	**6,817,968**	**193,103**	**5,383,752**	**5,842,812**	**19,604,576**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**(109,296)**	**(109,296)**
Other comprehensive income for the year	**–**	**–**	**(3,541,605)**	**–**	**–**	**(264,171)**	**(3,805,776)**
Total comprehensive income for the year	**–**	**–**	**(3,541,605)**	**–**	**–**	**(373,467)**	**(3,915,072)**
Dividend (Note 19)	**–**	**–**	**–**	**–**	**–**	**(414,937)**	**(414,937)**
At 30 June 2020	**1,361,941**	**5,000**	**3,276,363**	**193,103**	**5,383,752**	**5,054,408**	**15,274,567**

*Includes the prior year adjustment of Rs 6.7 million. Refer to Note 43 (i).

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Cash Flows for the year ended 30 June 2020

	Notes	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000
OPERATING ACTIVITIES					
(Loss)/profit before tax from continuing operations		**(1,267,468)**	1,761,652	**(84,058)**	480,727
Loss before tax from discontinued operations		**(22,124)**	(32,061)	**-**	–
Pofit before tax		**(1,289,592)**	1,729,591	**(84,058)**	480,727
Adjustments to reconcile profit before tax to net cash flows:					
Share of profits from associates	12(a)	**(539,050)**	(410,937)	**-**	–
Share of profits from joint ventures	13	**(29,385)**	(80,244)	**-**	–
Depreciation and impairment of property, plant and equipment	4	**1,621,744**	1,682,168	**60,220**	93,547
Assets written off		**156,095**	19,408	**-**	11,582
(Profit)/Loss on disposal of property, plant and equipment and intangible assets		**(13,131)**	(13,827)	**235**	(347)
Depreciation of rights of use assets	16(a)	**489,569**	–	**20,401**	–
Amortisation intangible assets	6	**116,892**	82,094	**15,874**	13,956
Amortisation of grants	27	**(5,946)**	(10,243)	**-**	–
Impairment of intangible assets	6	**852,880**	155,637	**-**	–
Profit on disposal of investments in other financial assets		**(11,604)**	–	**-**	–
Gain on disposal of associates		**-**	(22,238)	**-**	–
Gain on disposal of joint ventures		**-**	(140,791)	**-**	–
Loss on disposal of subsidiaries		**-**	24,621	**-**	–
Impairment loss on associates and joint ventures		**231,602**	24,712	**-**	–
Net loss on debt instruments at FVTPL		**16,845**	22,056	**-**	–
Exchange differences		**121,431**	34,149	**11,226**	12,722
Dividend received in specie		**-**	–	**-**	(155,626)
Finance income	31	**(48,644)**	(22,386)	**56,951**	(52,488)
Finance costs	32	**1,275,461**	952,021	**361,982**	326,046
Movement in employee benefit liabilities		**(33,367)**	(110,549)	**(346,335)**	(122,541)
Profit on deemed disposal of associates resulting from dilution		**-**	(4,523)	**-**	–
Amortisation of biological assets	8	**-**	506	**-**	–
Impairment adjustment of bearer biological assets	8	**-**	3,035	**-**	–
Fair value movement on consumable biological assets	9	**(1,199)**	(19,396)	**-**	–
Fair value of investment property	5	**(20,502)**	(53,430)	**-**	–
Net general insurance fund		**(88,294)**	26,462	**-**	–
		2,801,805	3,867,896	**96,496**	607,578
Working capital adjustments:					
Movement in consumable biological assets		**5,087**	4,359	**-**	–
Net investment in finance leases		**-**	(38,713)	**-**	–
Movement in inventories		**(292,430)**	(606,463)	**(87,437)**	(46,045)
Movement in contract assets and right of return assets		**112,183**	(703,743)	**-**	–
Movement in trade and other receivables		**818,758**	(458,808)	**47,221**	547,146
Movement in reinsurance assets - General insurance fund		**243,461**	(265,327)	**-**	–
Movement in gross outstanding claims		**(151,053)**	391,189	**-**	–
Movement in non-current receivables		**126,138**	(143,439)	**(903,378)**	(978,714)
Movement in trade and other payables		**525,168**	912,712	**560,681**	148,599
Movement in contract liabilities and refund liabilities		**162,548**	313,159	**-**	–
CASH GENERATED FROM OPERATIONS		**4,351,665**	3,272,822	**(286,417)**	278,564
Interest paid		**(1,114,787)**	(952,021)	**(361,982)**	(326,046)
Tax paid		**(461,793)**	(302,284)	**(378)**	2,957
NET CASH FLOW FROM OPERATING ACTIVITIES		**2,775,085**	2,018,517	**(648,777)**	(44,525)

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Statements of Cash Flows for the year ended 30 June 2020

	THE GROUP 2020 Rs'000	THE GROUP 2019 (Restated) Rs'000	THE COMPANY 2020 Rs'000	THE COMPANY 2019 (Restated) Rs'000
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,775,085**	2,018,517	**(648,777)**	(44,525)
INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment, investment property and intangible assets	**176,634**	387,415	**1,056**	42,350
Proceeds from held for sale assets	**-**	8,400	**-**	177,846
Proceeds from sale of investments	**338,982**	577,161	**1,213**	40,806
Purchase of property, plant and equipment	**(2,661,318)**	(2,466,113)	**(189,117)**	(36,865)
Purchase of intangible assets	**(105,322)**	(320,276)	**(8,971)**	(10,070)
Acquisition of investments	**(411,576)**	(533,718)	**(51,381)**	(50,896)
Purchase of investment properties	**(168,693)**	(43,472)	**-**	–
Receipt of government grant	**1,697**	–	**-**	–
Share buy-back by associate	**48,991**	–	**-**	–
Consideration paid to acquire subsidiary (Note 38(a))	**(59,619)**	(5,000)	**-**	–
Cash on acquisition of subsidiaries (Note 38(a))	**13,417**	3,347	**-**	–
Consideration received on disposal of subsidiary (Note 38(b))	**-**	206,950	**-**	–
Cash in subsidiary disposed of (Note 38(b))	**-**	(118,939)	**-**	–
Dividend received from associates and joint ventures	**312,511**	221,012	**-**	–
Interest received	**48,644**	22,382	**(56,951)**	52,488
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(2,465,652)**	(2,060,851)	**(304,151)**	215,659
FINANCING ACTIVITIES				
Loss on share buy-back of NCI in subsidiary	**-**	(134,305)	**-**	–
Proceeds from borrowings	**6,608,762**	3,462,280	**4,000,000**	45,180
Repayment of borrowings	**(3,281,351)**	(4,110,045)	**(1,120,617)**	(1,568,283)
Movement in deposits from customers	**-**	(88,582)	**-**	–
Repayment of leases	**(415,700)**	–	**(16,597)**	–
Shares issued to non controlling shareholders	**-**	22,640	**-**	–
Dividend paid to non controlling shareholders	**(313,663)**	(591,757)	**-**	–
Dividend paid to owners of the Company	**(149,649)**	(523,773)	**(149,649)**	(523,773)
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES	**2,448,399**	(1,963,542)	**2,713,137**	(2,046,876)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,757,832**	(2,005,876)	**1,760,209**	(1,875,742)
NET FOREIGN EXCHANGE DIFFERENCE	**6,781**	(2,317)	**(11,226)**	(12,722)
CASH AND CASH EQUIVALENTS AT 1 JULY	**(3,166,113)**	(1,157,920)	**(3,662,209)**	(1,773,745)
CASH AND CASH EQUIVALENTS AT 30 JUNE	**(401,500)**	(3,166,113)	**(1,913,226)**	(3,662,209)
Represented by :				
Cash in hand and at bank	**3,246,736**	2,124,154	**640,033**	323,752
Bank overdrafts (Note 22)	**(3,752,902)**	(5,293,253)	**(2,553,259)**	(3,985,961)
Cash at banks attributable to discontinued operations (Note 21)	**104,666**	2,986	**-**	–
	(401,500)	(3,166,113)	**(1,913,226)**	(3,662,209)

The notes form an integral part of these financial statements.
The Independent Auditor's Report is on pages 176 to 183.

Notes to the Financial Statements for the year ended 30 June 2020

1. CORPORATE INFORMATION

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

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

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

New and revised IFRSs applied on the financial statements

In the current year, the Group and the Company have applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that were relevant to the Group and the Company's operations and effective for accounting period beginning on 1 July 2019.

IFRS 3	Business Combinations – Amendments resulting from Annual Improvements 2015—2017 Cycle (remeasurement of previously held interest)
IFRS 9	Financial Instruments – Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
IFRS 11	Joint Arrangements – Amendments resulting from Annual Improvements 2015—2017 Cycle (remeasurement of previously held interest)
IFRS 16	Leases – Original issue
IAS 12	Income Taxes – Amendments resulting from Annual Improvements 2015-2017 cycle (income tax consequences of payments on financial instruments classified as equity)
IAS 19	Employee Benefits – Amendments regarding plan amendments, curtailments or settlements
IAS 23	Borrowing Costs – Amendments resulting from Annual Improvements 2015-2017 cycle (borrowings costs eligible for capitalisation)
IAS 28	Investments in Associates and Joint Ventures – Amendments regarding long-term interests in associates and joint ventures
IFRIC 23	Uncertainty over Income Tax Treatment

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

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the entity is the lessor.

The Group and the Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Notes to the Financial Statements for the year ended 30 June 2020

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

New and revised IFRSs applied on the financial statements (Continued)

IFRS 16 Leases (Continued)

The effect of adoption IFRS 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Assets		
Right-of-use assets	5,024,750	28,020
Property, plant and equipment	(300,518)	(10,680)
Intangible assets	(749,460)	-
Total assets	3,974,772	17,340
Liabilities		
Lease liabilities	4,340,528	28,349
Borrowings	(284,012)	(11,009)
Deferred tax liabilities	(14,353)	-
Total liabilities	4,042,163	17,340
Equity		
Retained earnings	(67,391)	-

The Group has lease contracts for land and buildings, various items of plant, machinery, vehicles and other assets. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to note 2B(o) Leases for the accounting policy prior to 1 July 2019.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for leases of low-value assets. Refer to note 2B(o) Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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

New and revised IFRSs applied on the financial statements (Continued)

IFRS 16 Leases (Continued)

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
Assets		
Operating lease commitments as at 30 June 2019	16,361,302	25,037
Weighted average incremental borrowing rate as at 1 July 2019	6.50%	6.05%
Discounted operating lease commitments as at 1 July 2019	4,056,517	17,340
Commitments relating to leases previously classified as finance leases	284,011	11,009
Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-	-
Lease liabilities as at 1 July 2019	4,340,528	28,349

IFRIC 23 Uncertainty over Income Tax Treatment

This Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company has assessed the impact of this standard and has concluded that there is no impact on its financial statements.

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

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

IFRS 3	Business Combinations - Amendments regarding definition of a business (effective 1 January 2020)
IFRS 3	Business Combinations - Amendments updating a reference to the Conceptual Framework (effective 1 January 2022)
IFRS 4	Insurance Contracts - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)

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

New and revised IFRSs and IFRICs in issue but not yet effective (Continued)

IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification (effective 1 June 2020)
IFRS 16	Leases - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 17	Insurance Contracts - Original issue (effective 1 January 2023)
IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material (effective 1 January 2020)
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (effective 1 January 2020)
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IAS 41	Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements) (effective 1 January 2020)

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

Conceptual framework

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework (effective 1 January 2020).

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

The above new standards and interpretations are not applicable to these financial statements and management does not expect these to have any significant impact on the financial performance of the Group and the Company when they become effective. No early adoption is intended by the board of directors.

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

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

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

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

(b) Basis of consolidation

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

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

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

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

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

(b) Basis of consolidation (Continued)

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

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

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

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

(c) Business combinations

Acquisition method

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

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(c) Business combinations (Continued)

Acquisition method (Continued)

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if the results in the non-controlling interests have a deficit balance.

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

Business combination under common control

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

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

(d) Investment in subsidiaries

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(e) Investment in associates

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

Financial statements of the Company

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

Financial statements of the Group

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

Equity method of accounting

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

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

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

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

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

(f) Foreign currency translation

Functional and presentation currency

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

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

(f) Foreign currency translation (Continued)

Transactions and balances

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

Group companies

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

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

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

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

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

(g) Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity (3 to 4 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount at the reporting date.

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(g) Property, plant and equipment (Continued)

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

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

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

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

Land and assets in progress are not depreciated.

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

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

(h) Investment property

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

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

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

(i) Intangible assets

(i) Goodwill

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

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

(i) Goodwill (Continued)

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

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

(ii) Other intangible assets

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

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

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

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

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

(j) **Impairment of non-financial assets excluding goodwill**

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(j) **Impairment of non-financial assets excluding goodwill (Continued)**

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

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

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

(k) **Financial instruments**

(i) Financial Assets

Classification of financial assets

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

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section 2B(r) Revenue from contracts with customers.

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.

Notes to the Financial Statements for the year ended 30 June 2020

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

(k) **Financial instruments (Continued)**

(i) Financial Assets (Continued)

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 income rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

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

Financial assets at fair value through OCI (debt instruments)

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(k) **Financial instruments (Continued)**

(i) Financial Assets (Continued)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset is held for trading if:

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(k) **Financial instruments (Continued)**

(i) Financial Assets (Continued)

Derivatives financial instruments

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

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

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

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(k) **Financial instruments (Continued)**

(i) Financial Assets (Continued)

Derivatives financial instruments (Continued)

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

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

(ii) Definition of default

The Group and the Company consider a trade receivable to be in default when contractual payments are past due for a period ranging from 90 to 360 days depending on the business environment in which each entity operates. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entity.

(iii) Write off policy

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

Recognition of expected credit losses

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(ii) Financial Liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and derivative financial instruments.

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

(k) **Financial instruments (Continued)**

(ii) Financial Liabilities (Continued)

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Loans and borrowings

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

(iii) Derecognition of financial assets and financial liabilities

Derecognition of financial assets

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

Derecognition of financial liabilities

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

(iv) Offsetting financial instruments

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(l) **Cash and cash equivalents**

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

(m) **Inventories**

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

(n) **Provisions**

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

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

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

(o) **Leases**

Policy effective before 1 July 2019 (IAS 17)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Asset held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter the term of the relevant lease.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessee is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Policy effective as from 1 July 2019 (IFRS 16)

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(o) Leases (Continued)

Group as a lessee

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

Right-of-use assets

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

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

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

The right-of-use assets are also subject to impairment.

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(p) Taxation

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

Current income tax

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

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

Deferred tax

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

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

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

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

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

Corporate Social Responsibility ("CSR")

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

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

Value added tax ("VAT")

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(q) Employee benefit and related liabilities

Defined contributions schemes

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

Defined benefits schemes

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

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

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

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

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

Other retirement benefits

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

State plan

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

(r) Revenue recognition

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(r) Revenue recognition (Continued)

Building and Engineering

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

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

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

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

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

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

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

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

(r) Revenue recognition (Continued)

Building and Engineering (Continued)

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

Commercial

- Sale of fast-moving consumer products (wholesale)
- Sale of fast-moving consumer products (operate chain of supermarkets)
- Sale of pharmaceutical products and equipment (wholesale and export)
- Sale of pharmaceutical products (operate chain of pharmacies)
- Sale of printing equipment and related consumables

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

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

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

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

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

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

Logistics

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(r) Revenue recognition (Continued)

Logistics (Continued)

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

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

Manufacturing and Processing

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

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

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

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

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

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

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

Financial and other services

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

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(r) Revenue recognition (Continued)

Financial and other services (Continued)

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

Property

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

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

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

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

Hospitality

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

The main streams of revenue are as follows:

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

Life

Revenue can be segregated in 2 parts:

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

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

1) Sun Protection Factor (SPF) trials – The SPF trials are studies that last for 1-day to 1-week. There is only 1 deliverable for such trials which is sending of results to clients. Hence, revenue will be recognized at the end of the trials.

2) Standard trials – The standard trials are studies that last for 1-week to 1-month. There are 2 key deliverables for such trials which are signature of protocol and sending of report. Hence, revenue will be recognised when the protocol is signed and when the report is sent to the clients.

Notes to the Financial Statements for the year ended 30 June 2020

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

(r) Revenue recognition (Continued)

Life (Continued)

3) Long-term trials – The long-term trials are studies that last for 1-month or more. For such studies the deliverables are mentioned in the quotation. Below is an illustration of the deliverable for a long-term study:
   - Reception of Purchase Order – 25% of study cost
   - Inclusion of all subjects – 25% of study cost
   - Last visit of the last subject – 40% of study cost
   - Final report – 10% of study cost

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

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

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

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

Contract Balances

Contract assets

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

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(s) Biological assets

(i) Bearer biological assets

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

(ii) Consumable biological assets

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

(t) Related parties

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

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

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

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

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

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

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

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

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

(v) Interest in joint ventures

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

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

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

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

(w) Borrowing costs

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(x) Hedge accounting

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

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

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

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

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

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

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

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

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

(y) Share based payment

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

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(z) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

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

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

Government Wage Assistance scheme

The Group and the Company applied for the Government Wage Assistance Scheme ('WAS') during the year due. The WAS is an economic measure by the Government of Mauritius to provide a wage subsidy to employers as a response to the Covid-19 pandemic and to ensure that all employees are duly paid their salary.

(aa) Fair value measurement

The Group and the Company measure its financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

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

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

Notes to the Financial Statements for the year ended 30 June 2020

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

(ab) Comparative figures

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

(ac) General insurance fund

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

(ad) Outstanding claims

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

(ae) Salvage and subrogation reimbursements

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

(af) Liability adequacy

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

(ag) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash and 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.

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

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

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

(ah) Dividend

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

(ai) wiiv Loyalty Programme

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Going concern assessment

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

These clusters, except for those in Hospitality, as well as Logistics and Property to some extent have been resilient and have largely recovered from the lockdown period of March to early June 2020. Results from the first 5 months of the year ending 30 June 2021 are encouraging and in some cases exceeding the comparative period of the year ended 30 June 2020.

Notes to the Financial Statements for the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Going concern assessment (Continued)

Directors have made an assessment of the Company's ability to continue as a going concern. At 30 June 2020, the Group and the Company had net current liabilities of Rs 2,127 million (2019: Rs 1,805 million) and Rs 2,012 million (2019: Rs 3,761 million) respectively and had made a loss before tax of Rs 1,267 million (2019: profit of Rs 1,761 million) and Rs 84 million (2019: profit of Rs 480 million) respectively for the year ended 30 June 2020.

When making that assessment, the Directors have taken into consideration the existing and longer term effects of the pandemic on the Group's and the Company's activities and their ability to post profitable results and positive cashflows in the years ending 30 June 2021 and 2022.

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

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

The corporate cluster is expecting a reduction in dividend income in year ending 30 June 2021 compared to the Rs 800-900 million it received from subsidiaries, associates and joint ventures in the years ended 30 June 2019 and before. The Board is therefore closely monitoring the Company's operating expenses and capital expenses outflows in line with expected dividend income. Measures have been earmarked and, in some cases, implemented to reduce the level of cash burn in light of expected reduced cash inflows.

Entities within the Agro and Energy, Building and Engineering, Commercial and Distribution, Financial Services, Life and Technologies and Seafood are expected to be profitable and therefore the providers of dividend income to the Company during the year ending 30 June 2021 and especially for year ending 30 June 2022.

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

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

The management of both Lux Island Resorts ('LIR') and BlueLife Ltd ('BLL') has availed themselves of all possible forms of assistance in order to mitigate the risks associated with the loan liabilities, including: agreed loan moratoriums with the banks, wage assistance schemes from the government, various austerity measures to keep costs to a minimum during the crisis, selling of non-core assets and the possibility of availing themselves of a government-devised economic stress relief fund, which they have been successful in negotiating post year end with the Mauritius Investment Corporation Ltd ('MIC'). LIR has negotiated Rs 1 billion funding from the MIC which is expected to be disbursed by the end of December 2020.

Other than Rs 175 million commitments provided to The Lux Collective Ltd to refinance this group and other corporate guarantees provided to some of its smaller subsidiaries (refer to Note 45), the Company does not have any commitment to finance subsidiaries, associates or joint ventures. Therefore, the Board has considered the forecasts up to June 2021 and other information available up to June 2022 and has concluded that there is sufficient facilities (as per Note 22) and resources within the Company to cover the financing and investing activities of the Company. Company resources include positive forecast net cashflows from the BrandActiv and HealthActiv divisions and expected positive operating cashflows from the corporate division.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Going concern assessment (Continued)

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

Assets held for sale

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

- The assets are available for immediate sale and can be sold to the buyer in its current condition.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification, except for Circle Square Holding Co Ltd ('CSHL'), which has been classified as held for sale since 30 June 2018.
- Potential buyers have been identified and negotiations as at the reporting date are at an advance stage.
- The plans to sell have already been approved.

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

Leases

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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

Property lease classification – Group as lessor

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions

Determination of functional currency of the group entities

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

Classification as subsidiaries

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

In making their judgement, the directors and management considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. After assessment, the directors and management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

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

Impairment of assets

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

Impairment of goodwill

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

Deferred tax assets

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

Notes to the Financial Statements for the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Employee benefits liabilities

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

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

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

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

Property valuation

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

Valuation of biological assets

In relation to Note 9 in the note to the financial statements, the fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. Standing cane and plants valuation has been arrived based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price as well as estimated foreign currency movements and budgeted costs and applying a suitable discount rate in order to calculate the net present value.

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

Fair value of unquoted investments

Where there is no active market, the fair values of unquoted investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group makes estimates of future cash flows, discount rates and price earnings ratio as applicable to the relevant markets. Refer to Note 11, 12 and 13 in the note to the financial statements for the corresponding fair values as at 30 June 2020.

Variable consideration for sales returns

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

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to Note 2B - financial assets). The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Notes to the Financial Statements for the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Business model assessment(Continued)

This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and how the risks affecting the performance are managed. Monitoring is part of the Group's and the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate.

Provision for expected credit losses

Credit risk

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

Loss allowance on trade receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns as disclosed in Note 18. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The Group has also updated its model for the provision matrix to incorporate the effect of the Covid-19 pandemic, whereby an overlay has been determined by management for each industry group. Refer to Note 18 for more details.

Loss allowance on other financial assets at amortised cost

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

Loss allowance on loans and advances to related parties

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

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

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

Insurance contracts

The uncertainty inherent in Notes 37(b), 41 and 42(a) of the financial statements arise mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

Notes to the Financial Statements for the year ended 30 June 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Insurance contracts (Continued)

These estimates are described below.

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

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

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

Recoverable amount on insurance and other receivables

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

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 16. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Points earned under the WIIV loyalty programme

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

The Group applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated yearly and the liability for the unredeemed points is adjusted accordingly. Any significant changes in customers' redemption patterns will impact the estimated redemption rate. As at 30 June 2020, the estimated liability for unredeemed points was Rs 19,116,848 (2019: Rs 19,186,600) and is included in Note 25 of the financial statements.

Notes to the Financial Statements for the year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Containers Rs'000	Assets in progress Rs'000	Total Rs'000
COST/VALUATION								
At 1 July 2018								
As previously stated	21,001,596	10,816,049	997,757	2,606,859	712,852	1,112,861	294,378	37,542,352
Effect of prior year adjustments (Note 43)	152,108	–	–	–	–	–	–	152,108
As restated	21,153,704	10,816,049	997,757	2,606,859	712,852	1,112,861	294,378	37,694,460
Acquisition of subsidiaries (Note 38(a))	–	–	–	57	356	–	–	413
Transfer from/(to) assets in progress	268,264	37,369	–	–	–	6,306	(311,939)	–
Additions	447,267	867,587	187,998	464,943	162,969	95,069	370,755	2,596,588
Disposals	(174,934)	(266,228)	(85,711)	(181,521)	(112,724)	(64,957)	–	(886,075)
Reclassification	223,542	(211,965)	–	(112,198)	100,621	–	–	–
Write offs	(412,443)	(91,470)	–	(93,728)	(46,998)	–	–	(644,639)
Revaluation adjustments	35,489	–	–	–	–	–	–	35,489
Transfer to investment properties (Note 5)	(489,353)	–	–	–	–	–	–	(489,353)
Transfer to inventories	–	(23,214)	–	–	–	–	–	(23,214)
Disposal of subsidiaries (Note 38(b))	(35,339)	(28,242)	(17,875)	(10,270)	(1,852)	–	–	(93,578)
Transfer to intangible assets (Note 6)	–	–	–	–	(7,452)	–	–	(7,452)
Exchange differences	56,968	7,499	4,657	5,939	1,282	–	(8,567)	67,778
At 30 June 2019	21,073,165	11,107,385	1,086,826	2,680,081	809,054	1,149,279	344,627	38,250,417
At 1 July 2019	**21,073,165**	**11,107,385**	**1,086,826**	**2,680,081**	**809,054**	**1,149,279**	**344,627**	**38,250,417**
Transfer to right of use assets (Note (i) and 16)	**(1,410)**	**(196,511)**	**(259,009)**	**(6,357)**	**(21,878)**	**–**	**–**	**(485,165)**
Additions	**833,192**	**574,672**	**71,824**	**173,095**	**52,504**	**97,395**	**858,636**	**2,661,318**
Disposals	**(5,306)**	**(82,176)**	**(61,462)**	**(63,318)**	**(12,924)**	**(122)**	**–**	**(225,308)**
Write offs	**(218,668)**	**(49,573)**	**(8,252)**	**(4,917)**	**(8,458)**	**(930,737)**	**–**	**(1,220,605)**
Revaluation adjustments	**432,091**	**–**	**–**	**–**	**–**	**–**	**–**	**432,091**
Transfer from investment properties (Notes (iii) and 5)	**23,328**	**–**	**–**	**–**	**–**	**–**	**–**	**23,328**
Transfer to intangible assets (Note 6)	**–**	**–**	**–**	**–**	**(400)**	**–**	**–**	**(400)**
Transfer from inventories	**–**	**4,587**	**–**	**–**	**–**	**–**	**–**	**4,587**
Transfer from/(to) assets in progress	**41,499**	**(8,185)**	**–**	**43,974**	**–**	**5,115**	**(82,403)**	**–**
Transfer to assets classified as held for sale (Note 21)	**(327,950)**	**(8,838)**	**–**	**(8,223)**	**(13,868)**	**–**	**–**	**(358,879)**
Reclassification	**49,668**	**(34,611)**	**2,189**	**(17,114)**	**(132)**	**–**	**–**	**–**
Acquisition of subsidiaries (Note 38(a))	**–**	**487**	**–**	**–**	**–**	**–**	**–**	**487**
Exchange differences	**751,046**	**262,913**	**7,809**	**52,576**	**15,044**	**–**	**9,871**	**1,099,259**
At 30 June 2020	**22,650,655**	**11,570,150**	**839,925**	**2,849,797**	**818,942**	**320,930**	**1,130,731**	**40,181,130**

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Notes to the Financial Statements for the year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Containers Rs'000	Assets in progress Rs'000	Total Rs'000
DEPRECIATION AND IMPAIRMENT								
At 1 July 2018								
As previously stated	644,423	6,615,227	617,659	1,616,767	513,840	1,002,309	–	11,010,225
Effect of prior year adjustments (Note 43)	12,028	–	–	–	–	–	–	12,028
As restated	656,451	6,615,227	617,659	1,616,767	513,840	1,002,309	–	11,022,253
Charge for the year	502,899	686,653	116,422	225,662	86,994	63,538	–	1,682,168
Disposals	(11,955)	(189,828)	(56,816)	(155,275)	(37,360)	(64,957)	–	(516,191)
Write offs	(15,639)	(89,036)	–	(89,229)	(46,813)	–	–	(240,717)
Revaluation adjustments	(53,150)	–	–	–	–	–	–	(53,150)
Reclassification	–	(2,965)	2,238	(83,483)	84,210	–	–	–
Disposal of subsidiaries (Note 38 (b))	(4,189)	(20,905)	(16,861)	(8,475)	(1,666)	–	–	(52,096)
Transfer to intangible assets (Note 6)	–	–	–	–	(5,149)	–	–	(5,149)
Exchange differences	1,818	5,061	1,349	626	848	–	–	9,702
At 30 June 2019	1,076,235	7,004,207	663,991	1,506,593	594,904	1,000,890	–	11,846,820
At 1 July 2019	**1,076,235**	**7,004,207**	**663,991**	**1,506,593**	**594,904**	**1,000,890**	**–**	**11,846,820**
Transfer to right of use assets (Note (i) and 16)	**(45)**	**(58,978)**	**(116,436)**	**(544)**	**(8,644)**	**–**	**–**	**(184,647)**
Charge for the year	**476,053**	**653,889**	**68,967**	**262,956**	**89,979**	**69,900**	**–**	**1,621,744**
Disposals	**(4,393)**	**(72,394)**	**(52,077)**	**(59,888)**	**(10,634)**	**(122)**	**–**	**(199,508)**
Write offs	**(69,672)**	**(48,381)**	**(3,682)**	**(4,773)**	**(7,458)**	**(930,737)**	**–**	**(1,064,703)**
Revaluation adjustments	**(473,302)**	**–**	**–**	**–**	**–**	**–**	**–**	**(473,302)**
Transfer to intangible assets (Note 6)	**–**	**–**	**–**	**–**	**(99)**	**–**	**–**	**(99)**
Transfer – assets classified as held for sale (Note 21)	**(35,117)**	**(2,776)**	**–**	**(896)**	**(1,695)**	**–**	**–**	**(40,484)**
Reclassification	**–**	**(13)**	**–**	**13**	**–**	**–**	**–**	**–**
Exchange differences	**148,097**	**134,161**	**8,481**	**24,369**	**10,853**	**(6,255)**	**–**	**319,706**
At 30 June 2020	**1,117,856**	**7,609,715**	**569,244**	**1,727,830**	**667,206**	**133,676**	**–**	**11,825,527**
NET BOOK VALUE								
At 30 June 2020	**21,532,799**	**3,960,435**	**270,681**	**1,121,967**	**151,736**	**187,254**	**1,130,731**	**28,355,603**
At 30 June 2019	19,996,930	4,103,178	422,835	1,173,488	214,150	148,389	344,627	26,403,597

(i) The assets under finance and operating leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

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

(iii) BlueLife Limited has booked a prior year adjustment (Note 43) on buildings being rented to Haute Rive Azuri Hotel Ltd and Haute Rive PDS Company Ltd by Haute Rive Holdings Ltd, which are subsidiaries of BlueLife Limited. The buildings were classified under investment Properties in the Group's financial statements. At Group level, the buildings are considered as 'owner occupied' and should have be reclassified to property, plant and equipment as per the requirements of IAS 40. Hence, the financials have been restated to incorporate this correction of error from investment property to plant, property and equipment.

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	Land and buildings Rs'000	Plant and equipment Rs'000	Motor vehicles Rs'000	Office furniture and equipment Rs'000	Computer and security equipment Rs'000	Total Rs'000
COST/VALUATION						
At 1 July 2018	410,441	165,791	73,550	299,274	125,211	1,074,267
Additions	–	7,072	410	22,058	7,327	36,867
Disposals	(5,587)	(30,447)	(5,490)	(41,160)	(15,858)	(98,542)
Write offs	–	(75,045)	(4,569)	(87,842)	(46,641)	(214,097)
Reclassification	–	–	–	(1,328)	1,328	–
At 30 June 2019	404,854	67,371	63,901	191,002	71,367	798,495
At 1 July 2019	**404,854**	**67,371**	**63,901**	**191,002**	**71,367**	**798,495**
Transfer to right of use assets (Notes (i) and 16)	**–**	**–**	**(20,434)**	**–**	**–**	**(20,434)**
Additions	**118,952**	**9,951**	**2,606**	**44,996**	**12,612**	**189,117**
Disposals	**–**	**(60)**	**(7,361)**	**(75)**	**(3,131)**	**(10,627)**
Write offs	**–**	**–**	**–**	**(2,177)**	**–**	**(2,177)**
At 30 June 2020	**523,806**	**77,262**	**38,712**	**233,746**	**80,848**	**954,374**
DEPRECIATION						
At 1 July 2018	38,507	118,651	51,434	211,298	99,330	519,220
Charge for the year	34,921	14,022	5,345	27,550	11,709	93,547
Disposals	(4,085)	(13,739)	(4,252)	(38,906)	(14,373)	(75,355)
Write offs	–	(75,046)	(4,563)	(84,353)	(46,558)	(210,520)
At 30 June 2019	69,343	43,888	47,964	115,589	50,108	326,892
At 1 July 2019	**69,343**	**43,888**	**47,964**	**115,589**	**50,108**	**326,892**
Transfer to right of use assets (Notes (i) and 16)	**–**	**–**	**(9,754)**	**–**	**–**	**(9,754)**
Charge for the year	**9,013**	**7,175**	**1,577**	**29,881**	**12,574**	**60,220**
Disposals	**–**	**(60)**	**(6,695)**	**(48)**	**(2,533)**	**(9,336)**
Write offs	**–**	**–**	**–**	**(2,177)**	**–**	**(2,177)**
At 30 June 2020	**78,356**	**51,003**	**33,092**	**143,245**	**60,149**	**365,845**
NET BOOK VALUE						
At 30 June 2020	**445,450**	**26,259**	**5,620**	**90,501**	**20,699**	**588,529**
At 30 June 2019	335,511	23,483	15,937	75,413	21,259	471,603

(i) The assets under finance and operating leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

Notes to the Financial Statements for the year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets held under finance leases

Included in property, plant and equipment are assets held under finance leases with the following carrying values:

	THE GROUP 2019 Rs'000	THE COMPANY 2019 Rs'000
Net book value		
Plant and equipment	146,703	–
Motor vehicles	142,048	10,680
Computer and security equipment	11,767	–
	300,518	10,680

The Group's and the Company's obligations under finance leases are secured by the lessors' title to the leased assets.

The assets held under finance leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

(b) Historical costs of revalued land and buildings:

	THE GROUP		THE COMPANY	
	2020 Rs'000	2019 Rs'000	**2020 Rs'000**	2019 Rs'000
Cost	**12,987,377**	12,159,491	**237,388**	118,436
Accumulated depreciation	**(3,637,344)**	(3,381,990)	**(59,939)**	(55,192)
Net book value	**9,350,033**	8,777,501	**177,449**	63,244

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

Some of the freehold land and buildings and buildings on leasehold land of the Group were revalued during the year at their open market value, by reference to recent market transactions on arm's length term, by Noor Dilmahomed & Associates, an independant professional valuer. The market comparison has been used as a basis of valuation. Market comparison data post-Covid is not available but there was no indication of a drop in the value of property presently.

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

The significant input for the land is the price per square metre which ranges between Rs 711 - Rs 7,699. The significant unobservable inputs for the buildings is the depreciation rate which ranges between 20%-55% and the price per square metre which ranges between Rs 3,000 - Rs 77,509. An increase/(decrease) of 100 basis points in the estimated price will result in an increase/(decrease) of Rs 4.8 million and Rs 81.2 million in the fair value of the land and buildings respectively.

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

The Group's policy is to revalue its property every 3-4 years unless there is evidence that the fair value of the assets differ materially from the carrying amount.

Notes to the Financial Statements for the year ended 30 June 2020

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(c) Borrowing costs capitalised during the year is Rs 8.4 million (2019: Rs nil).

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

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

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP				
2020				
Land and buildings	**-**	**-**	**21,532,799**	**21,532,799**
2019				
Land and buildings	-	1,938,614	18,058,316	19,996,930
THE COMPANY				
2020				
Land and buildings	**-**	**445,450**	**-**	**445,450**
2019				
Land and buildings	-	335,511	-	335,511

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At 1 July	**18,058,316**	20,497,253
Transfer from/(to) investment property (Note 5)	**23,328**	(489,353)
Additions	**833,192**	447,267
Disposal of subsidiaries (Note 38(b))	**-**	(31,150)
Reclassifications	**49,668**	223,542
Disposals	**(913)**	(162,979)
Charge for the year	**(476,053)**	(502,899)
Write offs	**(148,996)**	(396,804)
Transfer to right of use assets (Note 16)	**(1,365)**	-
Transfer from assets in progress	**41,499**	268,264
Revaluation adjustment	**905,393**	88,639
Exchange differences	**602,949**	55,150
Transfer to assets classified as held for sale (Note 21)	**(292,833)**	-
Land and buildings under level 2	**1,938,614**	(1,938,614)
At 30 June	**21,532,799**	18,058,316

Notes to the Financial Statements for the year ended 30 June 2020

5. INVESTMENT PROPERTIES

	THE GROUP	
	2020	2019 (Restated)
	Rs'000	Rs'000
At 1 July	**2,892,786**	2,306,529
Additions	**168,693**	43,472
Transfer (to)/ from property, plant and equipment (Notes (b) and 4)	**(23,328)**	489,355
Transfer to inventories (Note (e))	**(96,250)**	-
Disposal	**(104,981)**	-
Fair value gain (Notes (a) and 33)	**20,502**	53,430
At 30 June	**2,857,422**	2,892,786
- Rental income	**75,559**	67,918
- Direct operating expenses	**13,158**	10,013

(a) The investment properties are stated at fair value which has been determined by Directors, based on valuations performed by accredited independent valuers, namely Chasteau Doger De Speville Ltd, Noor Dilmahomed & Associates and Ramiah-Isabelle Consultancy Ltd. These valuers are specialists in valuing these types of investment properties and the revaluations were carried at 30 June 2020. The fair value is determined on open market value by reference to recent market transactions on arm's length term. The valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Investment properties valued using the sales comparison approach have been classified as Level 2 and those valued using the depreciated replacement cost have been classified as Level 3.

The significant inputs used are the depreciation rate, the discount rate used on estimated development costs and the price per square metre. 1% change in the price per square metre will impact the value of the investment by Rs 285,000 - Rs 14,774,039. 1% change in the discount rate will impact the fair value of the investment by Rs 356,250 - Rs 18,467,549.

(b) During the reporting year:

(i) two subsidiaries rented buildings amounting to **Rs 63,155,000** (2019: Rs 489,363,000) to third parties, which were previously classified as property, plant and equipment and subsequently transferred to investment properties.

(ii) one subsidiary rented buildings amounting to **Rs 86,483,000** (2019: nil) to related parties, which was previously classifed as investment properties and transferred to property, plant & equipment.

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

(d) Details of the Group's and the Company's investment properties measured at fair value and information about the fair value hierarchy as at 30 June 2020 and 2019 are as follows:

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP				
2020				
Investment properties	**-**	**-**	**2,857,422**	**2,857,422**
2019				
Investment properties	-	118,476	2,774,310	2,892,786

5. INVESTMENT PROPERTIES (CONTINUED)

	THE GROUP 2020 Rs'000
At 1 July	**2,774,310**
Transfer to property, plant and equipment (Notes (b) and 4)	**(23,328)**
Additions	**73,743**
Transfer to inventories (Note (e))	**(96,250)**
Disposals	**(104,981)**
Revaluation adjustment	**20,502**
Transfer from level 2	**213,426**
At 30 June	**2,857,422**

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

(f) There were no new transfer to assets held for sale during the reporting year. Certain assets held for sale as at 30 June 2019 continued to be held for sale as at 30 June 2020 (Refer to Note 21).

(g) BlueLife Limited has booked a prior year adjustment (Note 43) on buildings being rented to Haute Rive Azuri Hotel Ltd and Haute Rive PDS Company Ltd by Haute Rive Holdings Ltd, which are subsidiaries of BlueLife Limited. The buildings were classified under investment Properties in the Group's financial statements. At Group level, the buildings are considered as 'owner occupied' and should have be reclassified to property, plant and equipment as per the requirements of IAS 40. Hence, the financials have been restated to incorporate this correction of error from investment property to plant, property and equipment.

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

(i) BlueLife Limited holds 60 % of the group investment properties and the quantitative investment sensitivity analysis have been disclosed below:

The fair value of the investment property which is categorised within Level 3 of the fair value hierarchy is based on significant unobservable inputs. Its value is most sensitive to the price per square metre used to determine the fair value. A 1% change in the price per square metre will impact the value of the investment property by Rs 285,000 – Rs 14,774,039 (2019: Rs 285,000 – Rs 15,886,520).

Notes to the Financial Statements for the year ended 30 June 2020

6. INTANGIBLE ASSETS

THE GROUP	Goodwill Rs'000	Leasehold Rights Rs'000	Computer Software Rs'000	Others Rs'000	Total Rs'000
COST					
At 1 July 2018	2,838,084	969,714	588,807	226,129	4,622,734
Acquisition of subsidiaries (Note 38(a))	–	–	60	–	60
Transfer from property, plant and equipment (Notes (a) and 4)	–	–	7,452	–	7,452
Assets in progress	–	–	10,695	–	10,695
Additions	8,285	178,995	127,307	3,220	317,807
Disposal of subsidiaries (Note 38(b))	–	–	–	(2,552)	(2,552)
Write offs	–	–	(28,573)	(8,088)	(36,661)
Disposals	–	–	(12,890)	–	(12,890)
Exchange differences	10,620	19,045	(241)	(41)	29,383
At 30 June 2019	2,856,989	1,167,754	692,617	218,668	4,936,028
At 1 July 2019	**2,856,989**	**1,167,754**	**692,617**	**218,668**	**4,936,028**
Transfer to right of use asset (Note 16)	**–**	**(1,125,602)**	**–**	**–**	**(1,125,602)**
Additions	**18,578**	**–**	**73,986**	**30,064**	**122,628**
Disposals	**–**	**(7,089)**	**(50,564)**	**(28)**	**(57,681)**
Write offs	**–**	**(23)**	**(1,838)**	**–**	**(1,861)**
Transfer from property, plant and equipment (Notes (a) and 4)	**–**	**–**	**400**	**–**	**400**
Transfer to assets classified as held for sale (Note 21)	**–**	**(36,724)**	**(2,127)**	**–**	**(38,851)**
Assets in progress	**–**	**–**	**1,272**	**–**	**1,272**
Exchange differences	**121,775**	**61,866**	**4,912**	**373**	**188,926**
At 30 June 2020	**2,997,342**	**60,182**	**718,658**	**249,077**	**4,025,259**

Notes to the Financial Statements for the year ended 30 June 2020

6. INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Goodwill Rs'000	Leasehold Rights Rs'000	Computer Software Rs'000	Others Rs'000	Total Rs'000
AMORTISATION / IMPAIRMENT					
At 1 July 2018	355,400	337,398	358,464	9,521	1,060,783
Charge for the year	1,764	13,486	65,097	1,747	82,094
Write offs	–	–	(28,255)	(92)	(28,347)
Transfer from property, plant and equipment (Notes (a) and 4)	–	–	5,149	–	5,149
Impairment loss	146,960	–	–	8,677	155,637
Disposals	–	–	(12,707)	–	(12,707)
Disposal of subsidiary (Notes (b) and 38(b))	–	–	(1,676)	(12)	(1,688)
Exchange differences	–	6,678	64	(22)	6,720
At 30 June 2019	504,124	357,562	386,136	19,819	1,267,641
At 1 July 2019	**504,124**	**357,562**	**386,136**	**19,819**	**1,267,641**
Transfer to right of use asset (Notes (c) and 16)	**–**	**(376,142)**	**–**	**–**	**(376,142)**
Charge for the year	**–**	**2,609**	**103,431**	**10,852**	**116,892**
Disposals	**–**	**–**	**(24,988)**	**28**	**(24,960)**
Write offs	**–**	**–**	**(1,668)**	**–**	**(1,668)**
Impairment loss	**850,763**	**–**	**2,117**	**–**	**852,880**
Transfer from property, plant and equipment (Notes (a) and 4)	**–**	**–**	**99**	**–**	**99**
Exchange differences	**–**	**18,840**	**2,776**	**64**	**21,680**
At 30 June 2020	**1,354,887**	**2,869**	**467,903**	**30,764**	**1,856,422**
NET BOOK VALUE					
At 30 June 2020	**1,642,455**	**57,313**	**250,755**	**218,313**	**2,168,837**
At 30 June 2019	2,352,865	810,192	306,481	198,849	3,668,387

(a) During the year ended 30 June 2020, two subsidiaries have made a reclasification from property, plant and equipment (computer and security equipment) to intangible assets (computer software). Also, one subsidiary has made a reclassification from intangible assets (computer software) to property, plant and equipment (computer and security equipment). The carrying amount of the reclassifications amounted to Rs 301,000 (2019: Rs 2,303,000).

(b) During the year ended 30 June 2020, the leasehold rights in respect of one subsidiary have been assessed as right of use assets under IFRS 16 (Refer to Note 16).

(c) The assets under finance leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

Notes to the Financial Statements for the year ended 30 June 2020

6. INTANGIBLE ASSETS (CONTINUED)

THE COMPANY	Computer Software Rs'000	Marketing rights Rs'000	Total Rs'000
COST			
At 1 July 2018	148,344	8,000	156,344
Additions	10,070	–	10,070
Write off	(27,056)	(8,000)	(35,056)
Disposals	(23,325)	–	(23,325)
At 30 June 2019	108,033	–	108,033
At 1 July 2019	**108,033**	**–**	**108,033**
Additions	**8,971**	**–**	**8,971**
Disposals	**(655)**	**–**	**(655)**
At 30 June 2020	**116,349**	**–**	**116,349**
AMORTISATION			
At 1 July 2018	84,451	–	84,451
Charge for the year	13,956	–	13,956
Write offs	(27,051)	–	(27,051)
Disposals	(4,508)	–	(4,508)
At 30 June 2019	66,848	–	66,848
At 1 July 2019	**66,848**	**–**	**66,848**
Charge for the year	**15,874**	**–**	**15,874**
Disposals	**(655)**	**–**	**(655)**
At 30 June 2020	**82,067**	**–**	**82,067**
NET BOOK VALUE			
At 30 June 2020	**34,282**	**–**	**34,282**
At 30 June 2019	41,185	–	41,185

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

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

Notes to the Financial Statements for the year ended 30 June 2020

6. INTANGIBLE ASSETS (CONTINUED)

An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is, when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. LCRs are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. LCRs are derecognised upon disposal (i.e., the date the recipient obtains control), use for converting agricultural land into residential land for land projects or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the LCR is included in profit or loss. The carrying amount of land conversion rights has been determined based on sales comparable. At 30 June 2020, the Directors have made an assessment of the carrying value of the LCRs and have concluded that there is no impairment to be recognised during the year (2019: Rs 8.7 million).

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

	Key unobservable inputs	Range	Sensitivity of the input to fair value
2020			
Land Conversion Rights	**Discount rate**	**8%**	**52,000**
2019			
Land Conversion Rights	Discount rate	8%	(31,425)

The Directors have considered the relevant factors in determining the useful life of the marketing rights and trademarks. As there is no foreseeable limit to the period over which these are expected to generate net cash inflows for the Group, the marketing rights and trademarks have been assessed as having an indefinite useful life (already impaired fully since 30 June 2019).

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

	Carrying value	
	2020	2019
	Rs'000	Rs'000
Building & Engineering	**29,656**	29,656
Commercial & Distribution	**660,028**	614,626
Financial Services	**9,743**	42,458
Logistics	**12,606**	12,606
Corporate Services	**32,096**	32,096
Hospitality & Services	**788,463**	1,398,733
Life & Technologies	**109,863**	109,865
Property	**-**	112,825
	1,642,455	2,352,865

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

Impairment losses of goodwill amounting to Rs 850.7 million (2019: Rs 147 million) are attributable to the cash-generating units of Building & Engineering (Rs 18 million), Commercial & Distribution (Rs 20.2 million), Financial Services (Rs 32.7 million), Hospitality & Services (Rs 667 million) and Property (Rs 112.8 million) to reflect the loss in value of the CGU. These were done for certain non-operating and loss-making units. The impairment losses are recognised in statement of profit or loss. While the recoverable amounts for the clusters has been determined based on their value-in-use, that of the Hospitality & Services cluster is based on the fair values less cost to sell.

Notes to the Financial Statements for the year ended 30 June 2020

6. INTANGIBLE ASSETS (CONTINUED)

The Directors have reviewed the carrying values of goodwill at 30 June 2020 and are of the opinion that no additional impairment losses need to be recognised. Based on the weightage of the CGUs on the total amount of goodwill, the following clusters have been analysed:

Commercial & Distribution

Camp Investment Company Limited

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

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

- cash flows were projected based on actual operating results extrapolated using an annual growth rate of 4% (2019: 4%) for a period of five years;
- cash flows after the five year period were extrapolated using a perpetual growth rate of 1.69% (2019: 2%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of Edena Group and is derived from its weighted average cost of capital (WACC) of 6.34% - 9.78% (2019: 6.59% - 11.95%). The WACC takes into account both debt and equity. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of trademarks and goodwill of Edena Group to exceed their aggregate recoverable amount. A rise in the pre-tax discount rate to 6.84% - 10.28% (i.e., +0.5%) in Edena Group would reduce the recoverable amount of the cash-generating unit by Rs 2.3 million; however, this does not trigger any impairment.

Hospitality & Services

Lux Island Resorts

In relation to the Hospitality & Services cluster, the downward medium-term trading expectations due to the current economic environment which has been exacerbated by the global Covid-19 pandemic, the Group has impaired its goodwill during year ended 30 June 2020.

The recoverable amount of each cash-generating unit (CGU) has been determined based on their fair value less cost to sell. The post-tax cash flow projection is based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) which ranges between 10% to 12% (2019: 9% to 11.5%) for the various entities of the Group. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with the industry in which each CGU operates.

A terminal growth which ranges between 2% to 3% has been assumed in the calculation. Key assumptions used in the impairment tests for goodwill are occupancy rate, terminal growth rate and discount rate. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would cause the aggregate carrying amount to exceed their aggregate recoverable amount. A 0.5% increase in the pre-tax discount rate will lead to additional impairment ranging between Rs 3.8 million - Rs 219 million. A 0.5% decrease in the terminal growth rate will lead to additional impairment ranging between Rs 1.8 million - Rs 167 million. Similarly, a decrease of 1% in occupancy rate will lead to additional impairment ranging between Rs 2.4 million - Rs 137 million.

6. INTANGIBLE ASSETS (CONTINUED)

Life & Technologies

IBL Life Ltd

In the Life & Technologies cluster, the recoverable amount of CIDP Holdings Ltd has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry and the ability of CIDP Holdings Ltd to at least maintain their respective market share. The key assumptions used for the value-in-use calculations encircles the discount rate, the cash flows which were projected based on actual operating results extrapolated using an annual growth rate of 3% (2019: 3%) for a period of five years. Moreover, cash flows after the five-year period were also extrapolated using a perpetual growth rate of 3% (2019: 3%) in order to calculate the terminal recoverable amount.

The discount rate calculation is based on the specific circumstances of CIDP Holdings Ltd and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The pre-tax discount rate applied to cash flow projections is 16.38% (2019: 15.11%) and cash flows beyond the five-year period are extrapolated using a 3% growth rate (2019: 3%) that is the same as the long-term average growth rate for the life & technologies industry. The directors are satisfied that there is no indication of impairment of goodwill for the year ended 30 June 2020. Also, any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed their aggregate recoverable amount. A rise in the pre-tax discount rate to 16.88% (i.e., +0.5%) in CIDP Holdings Ltd would result in a decrease in the recoverable amount by Rs 19 million; however, this does not trigger any impairment.

Property

BlueLife Limited & Southern Investment Company Ltd

In relation to the property cluster, the Group has impaired its goodwill during year ended 30 June 2020. The goodwill for the Group in the Property cluster previously arose on amalgamation of BlueLife Limited with Indian Ocean Real Estate Company Ltd in prior years. Impairment of goodwill arising on amalgamation with Indian Ocean Real Estate Company Ltd has been assessed and accordingly, no future cash flows could be generated on the assets because operations have stopped. An impairment charge of Rs 31 million (2019: Rs 20.2 million) for the remaining goodwill held by the Group have been charged to profit or loss as at 30 June 2020. The recoverable amount was assessed as being nil since the CGU is not operating anymore . In that respect, goodwill arising from that CGU was fully impaired.

The Group also had goodwill arising on past acquisition of Salt of Palmar by Southern Investment Company Ltd. Impairment of goodwill has been assessed based on discounted cash flow technique, taking into consideration future cash flows expected to be generated on the assets and also the market conditions prevailing. An impairment charge of Rs 81.8 million (2019: nil) for the Group have been charged to profit or loss as at 30 June 2020. The recoverable amount was assessed as being nil for the current year under review since the CGU is not operating anymore given the current prevailing market conditions. In that respect, goodwill arising from that CGU was fully impaired.

Notes to the Financial Statements for the year ended 30 June 2020

7. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method at the rate of 17% (2019: 17%).

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Deferred tax liabilities	**1,012,712**	920,785	**-**	-
Deferred tax assets	**(588,737)**	(170,115)	**(116,205)**	(87,228)
Net deferred tax at 30 June	**423,975**	750,670	**(116,205)**	(87,228)

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July (Note (i))				
- As previously reported	**750,670**	790,534	**(87,228)**	(101,330)
- Effect of adopting new accounting standards	**(14,353)**	-	**-**	-
- As restated	**736,317**	790,534	**(87,228)**	(101,330)
Disposal of subsidiaries (Note 38(b))	**-**	4,960	**-**	-
Exchange differences	**1,542**	(170)	**-**	-
Transfer to assets classified as held for sale (Notes (ii) and 21)	**25,294**	-	**-**	-
Other movement	**(19,105)**	3,327	**-**	371
Amounts recognised in profit or loss				
(Credit)/Charge for the year (Note 26(b))	**(218,184)**	64,024	**25,130**	24,553
Amounts recognised in other comprehensive income				
Deferred tax on hedge reserves	**(32,345)**	-	**-**	-
Deferred tax on revaluation losses/(surplus) of land and buildings	**100,435**	(36,093)	**-**	-
Deferred tax relating to remeasurement of employee benefit liabilities	**(169,979)**	(75,912)	**(54,107)**	(10,822)
At 30 June	**423,975**	**750,670**	**(116,205)**	**(87,228)**

(i) The previously stated balance includes the effect of adopting new accounting standards amounting to Rs 33.4 million on 1 July 2019 for the Group and Rs 40.7 million for the Company.

(ii) The transfer to assets classified as held for sale refers to deferred tax assets (See Note 21). There has been no new transfer for deferred tax liabilities during the year ended 30 June 2020.

7. DEFERRED TAXATION (CONTINUED)

THE GROUP	Accelerated tax depreciation Rs'000	Hedge reserves Rs'000	Provisions Rs'000	Revaluation of property, plant and equipment Rs'000	Employee benefit assets/ liabilities Rs'000	Right-of-use Rs'000	Tax losses Rs'000	Total Rs'000
At 1 July 2018	882,673	–	(84,472)	552,275	(293,711)	–	(266,231)	790,534
Other movement	1,338	–	1,787	173	(10)	–	39	3,327
Disposal of subsidiary (Note 38(b))	3,122	–	11,065	3,838	(15,782)	–	2,717	4,960
Credit to other comprehensive income	–	–	–	(36,093)	(75,912)	–	–	(112,005)
Credit to profit or loss	71,110	–	(24,009)	14,002	62,881	–	(59,960)	64,024
Exchange difference	–	–	(189)	–	–	–	19	(170)
At 30 June 2019	958,243	–	(95,818)	534,195	(322,534)	–	(323,416)	750,670
At 1 July 2019								
– As previously reported	**958,243**	**–**	**(95,818)**	**534,195**	**(322,534)**	**–**	**(323,416)**	**750,670**
– Effect of adopting new accounting standards	**–**	**–**	**–**	**–**	**–**	**(14,353)**	**–**	**(14,353)**
– As restated	**958,243**	**–**	**(95,818)**	**534,195**	**(322,534)**	**(14,353)**	**(323,416)**	**736,317**
Other movement	**(17,198)**	**–**	**–**	**–**	**–**	**393**	**(2,300)**	**(19,105)**
Transfer to assets classified as held for sale (Note 21)	**–**	**–**	**–**	**–**	**–**	**–**	**25,294**	**25,294**
Credit to other comprehensive income	**–**	**(32,345)**	**–**	**100,435**	**(169,979)**	**–**	**–**	**(101,889)**
Charge/(credit) to profit or loss	**(88,583)**	**–**	**(70,647)**	**(18,843)**	**(10,762)**	**(842)**	**(28,507)**	**(218,184)**
Exchange difference	**–**	**–**	**1,542**	**–**	**–**	**–**	**–**	**1,542**
At 30 June 2020	**852,462**	**(32,345)**	**(164,923)**	**615,787**	**(503,275)**	**(14,802)**	**(328,929)**	**423,975**

7. DEFERRED TAXATION (CONTINUED)

THE COMPANY	Accelerated tax depreciation Rs'000	Provisions Rs'000	Revaluation of property, plant and equipment Rs'000	Right-of-use Rs'000	Employee benefit assets/ liabilities Rs'000	Total Rs'000
At 1 July 2018	4,177	(40,767)	79,448	–	(144,188)	(101,330)
Credit to other comprehensive income	–	–	–	–	(10,822)	(10,822)
Other movement	–	371	–	–	–	371
Charged to profit or loss	2,234	1,726	–	–	20,593	24,553
At 30 June 2019	6,411	(38,670)	79,448	–	(134,417)	(87,228)
At 1 July 2019	**6,411**	**(38,670)**	**79,448**	**–**	**(134,417)**	**(87,228)**
Credit to other comprehensive income			**(54,107)**			**(54,107)**
Charged to profit or loss	**1,487**	**(3,046)**	**58,756**	**628**	**(32,695)**	**25,130**
At 30 June 2020	**7,898**	**(41,716)**	**84,097**	**628**	**(167,112)**	**(116,205)**

8. BEARER BIOLOGICAL ASSETS

THE GROUP	2019 Rs'000
Plant canes	
At 1 July	**3,541**
Impairment adjustment	**(3,035)**
Amortisation for the year	**(506)**
At 30 June	**–**
Area harvested (Arpents)	**252**
Cost per Arpent (Rs)	**65,893**

At 30 June 2019, the directors made an assessment of the carrying value of the bearer plants and had concluded that an impairment of Rs 3 million was required based on their forecasts. This assessment was based on an average sugar price of Rs 11,000 per ton over the projected period. The main factor that led to the impairment was the decrease in projected revenue. The value in use model had been used and the discount rate was 9.75%.

As at 30 June 2020, the bearer plants were still considered as fully impaired.

9. CONSUMABLE BIOLOGICAL ASSETS

THE GROUP	Standing cane Rs'000	Plants Rs'000	Vegetables Rs'000	Total Rs'000
At 1 July 2018	4,997	23,517	6,113	34,627
Production	21,700	24,877	27,332	73,909
Sales	(17,265)	(37,547)	(23,456)	(78,268)
Fair value movement	(5,212)	18,453	6,155	19,396
At 30 June 2019	**4,220**	**29,300**	**16,144**	**49,664**
Production	**13,622**	**30,178**	**29,831**	**73,631**
Sales	**(16,385)**	**(41,497)**	**(20,836)**	**(78,718)**
Fair value movement	**3,335**	**8,663**	**(10,799)**	**1,199**
At 30 June 2020	**4,792**	**26,644**	**14,340**	**45,776**

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

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

	2020	2019
Standing cane		
Expected area to harvest (ha)	**96**	98
Estimated yields (%)	**10.1**	10.4
Estimated price of sugar - Rs (per ton)	**16,076**	14,031
Plants		
Expected area to harvest (ha)	**8**	8
Maximum maturity of plants at 30 June	**1 year**	1 year
Vegetables		
Expected area to harvest (ha)	**50**	42
Discount factor (%)	**9.0**	9.0

Notes to the Financial Statements for the year ended 30 June 2020

9. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Discounted cash flows	Cane yield per ha: **37 ton/ha** (2019: 38 ton/ha)	1% increase/(decrease) in cane yield per ha would result in increase/(decrease) in fair value by **Rs 268,882** (2019: Rs 95,289).
		Price of sugar: **Rs 16,076/ton** (2019: Rs 14,031/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by **Rs 497,431** (2019: Rs 476,447).
		WACC **12.48%** (2019: 9.17%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by **Rs 3,604** (2019: Rs 2,366).
Plants	Discounted cash flows	Average price of plants: **Rs 206** (2019: Rs 176)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by **Rs 2,073,093** (2019: Rs 1,981,147).
		Mortality rate **3%** (2019: 5%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by **Rs 2,073,093** (2019: Rs 2,088,023).
		WACC **20%** (2019: 20%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by **Rs 266,438** (2019: Rs 292,989).
Vegetables	Discounted cash flows	Discount factor **8.8%** (2019: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by **Rs 33,715** (2019: Rs 3,256).
		Price of vegetables: **Rs 15,000 – Rs 19,000** (2019: Rs 19,000 – Rs 21,800)	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by **Rs 955,845** (2019: Rs 1,022,386).

10. CLIENT'S MONIES

Pursuant to the circular letter dated 3 March 2003 by the Financial Services Commission, an analysis of client's money handled by the subsidiaries of the Group is shown below:

THE GROUP	2020 Rs'000	2019 Rs'000
At 1 July	**11,326**	12,419
Amounts received during the year from clients	**3,303**	125,106
Amounts disbursed during the year on behalf of clients	**(425)**	(126,200)
At 30 June	**14,204**	11,325

The funds are paid into a separate bank account kept solely for the purpose of handling client's monies.

11. INVESTMENT IN SUBSIDIARIES

THE COMPANY	Listed	Secondary market	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2018	8,275,760	734,739	13,066,784	22,077,283
Additions	-	-	284,957	284,957
Disposal	-	-	(8,441)	(8,441)
Fair value adjustment	(999,541)	(64,069)	(698,648)	(1,762,258)
At 30 June 2019	7,276,219	670,670	12,644,652	20,591,541
At 1 July 2019	**7,276,219**	**670,670**	**12,644,652**	**20,591,541**
Additions	**-**	**-**	**51,381**	**51,381**
Recapitalisation of loans (Note (iii))	**-**	**-**	**1,298,348**	**1,298,348**
Fair value adjustment	**(2,662,341)**	**28,652**	**(866,031)**	**(3,499,720)**
At 30 June 2020	**4,613,878**	**699,322**	**13,128,350**	**18,441,550**

The additions have been financed as follows:

	2020	2019
	Rs'000	Rs'000
Cash	**51,381**	120,889
Recapitalisation of loans	**1,298,348**	-
Issue of shares	**-**	164,068
	1,349,729	284,957

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

(ii) The investments in subsidiaries are measured at FVTOCI at year ended 30 June 2020 and are not subject to impairment requirements.

(iii) During the year, the Group converted several non-current receivable balances from related parties (Refer to Note 17) into investment balance.

Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries	Country of incorporation	Type of shares	Principal activity	2020 % held		2019 % held	
				Direct	Indirect	Direct	Indirect
Chantier Naval de l'Océan Indien Limited	Mauritius	Ordinary	Construction and repair of ships	**63.83**	**-**	63.83	-
CNOI Investments Ltd	Mauritius	Ordinary	Investment	**-**	**63.83**	-	63.83
Mer and Design Ltd (viii)	Mauritius	Ordinary	Investment	**-**	**63.83**	-	-
Construction & Material Handling Company Ltd (ix)	Mauritius	Ordinary	Handling equipment	**100.00**	**-**	100.00	-
DieselActiv Co Ltd	Mauritius	Ordinary	Mechanical	**100.00**	**-**	100.00	-
Engineering Services Ltd	Seychelles	Ordinary	Outsourcing	**-**	**69.37**	-	69.37
Engineering Support Services Ltd (formerly called Riche Terre Development Limited)	Mauritius	Ordinary	Support Services	**100.00**	**-**	100.00	-
Engitech Ltd	Mauritius	Ordinary	Commerce	**100.00**	**-**	100.00	-
Fit-Out (Mauritius) Ltd	Mauritius	Ordinary	Manufacturing	**-**	**69.83**	-	69.83
IBL Madagasikara S.A.	Madagascar	Ordinary	Commerce	**90.00**	**-**	90.00	-
IBL Energy Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
IBL Energy Holdings Ltd (xi)	Mauritius	Ordinary	Investment	**100.00**	**-**	-	-
Manser Saxon Interiors Ltd	Mauritius	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Manser Saxon Elevators Ltd	Mauritius	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Manser Saxon Environment Ltd (ii)	Mauritius	Ordinary	Inactive	**-**	**92.50**	-	92.50
Manser Saxon Plumbing Ltd	Mauritius	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Manser Saxon Contracting Limited (ix)	Mauritius	Ordinary	Manufacturing & contracting	**92.50**	**-**	92.50	-
Manser Saxon Dubai LLC (ii)	Dubai	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Manser Saxon Interiors LLC (ii)	Dubai	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Manser Saxon Training Services Ltd	Mauritius	Ordinary	Training services	**-**	**92.50**	-	92.50
Tower Bridge Projects (Mauritius) Ltd	Mauritius	Ordinary	Construction	**-**	**92.50**	-	92.50
Saxon International Ltd	Mauritius	Ordinary	Investment	**-**	**92.50**	-	92.50
Servequip Ltd (ix)	Mauritius	Ordinary	Rental & servicing of equipment	**100.00**	**-**	100.00	-
Scomat Limitée (ix)	Mauritius	Ordinary	Industrial & Mechanical	**100.00**	**-**	100.00	-
Société de Transit Aérien et Maritime SARL (ii)	Madagascar	Ordinary	Clearing & forwarding	**-**	**85.50**	-	85.50
Systems Building Contracting Ltd	Mauritius	Ordinary	Manufacturing & contracting	**-**	**59.66**	-	59.66
Tornado Limited	Mauritius	Ordinary	Manufacturing	**-**	**92.50**	-	92.50
Flacq Associated Stonemasters Limited	Mauritius	Ordinary	Production and sale of aggregates and bricks	**-**	**28.15**	-	28.15
United Basalt Products Ltd	Mauritius	Ordinary	Manufacture of building materials	**33.14**	**-**	33.14	-
Espace Maison Ltée	Mauritius	Ordinary	Commerce	**-**	**33.14**	-	33.14
La Savonnerie Créole Ltée	Mauritius	Ordinary	Commerce	**-**	**33.14**	-	33.14
Compagnie de Gros Cailloux Limitée	Mauritius	Ordinary	Agriculture	**-**	**33.14**	-	33.14
Welcome Industries Limited	Mauritius	Ordinary	Manufacture of building materials	**-**	**25.15**	-	25.15
UBP International Ltd	Mauritius	Ordinary	Investment	**-**	**33.14**	-	33.14
UBP Madagascar	Madagascar	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
United Granite Products (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**25.52**	-	25.52
DHK Metal Crusher (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14
Sheffield Trading (Pvt) Ltd	Sri-Lanka	Ordinary	Manufacture of building materials	**-**	**33.14**	-	33.14

(i) Companies are inactive
(ii) Companies are inactive and in process of de-registration or in the process of liquidation
(iii) Transferred from investment in joint venture to investment in subsidiary following increase in stake
(iv) Increase in percentage holding further to share buy-back
(v) Investments disposed
(vi) Change in percentage holding without loss of control
(vii) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2020
(viii) Acquired during the year
(ix) Recapitalisation
(x) Companies have been de-registered
(xi) Companies incorporated during the year

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
Sainte Marie Crushing Plant Ltd	Mauritius	Ordinary	Manufacture of building materials	-	25.35	-	25.35
Société des petits Cailloux	Mauritius	Ordinary	Investment	-	25.35	-	25.35
Dry Mixed Products Ltd (vi)	Mauritius	Ordinary	Manufacture of building materials	-	18.09	-	16.90
Land Reclamation Limited (ii)	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Stone and Bricks Co Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
The Stonemasters Company Limited	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Pricom Ltd	Mauritius	Ordinary	Manufacture of building materials	-	33.14	-	33.14
Blychem Ltd (ix)	Mauritius	Ordinary	Manufacturing of chemical products	100.00	-	100.00	-
WellActiv Company Ltd (formerly known as HealthActiv Ltd)	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
Medical Trading Company Ltd (ix)	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
Medical Trading International Ltd	Mauritius	Ordinary	Healthcare	100.00	-	100.00	-
New Cold Storage Company Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Pick and Buy Limited	Mauritius	Ordinary	Supermarkets	-	100.00	-	100.00
Winhold Limited (ix)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Compagnie des Magasins Populaires Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
CMPL (Cascavelle) Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
CMPL (Bagatelle) Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
CMPL (Mont Choisy) Limitée	Mauritius	Ordinary	Hypermarket	-	100.00	-	100.00
Intergraph Ltée	Mauritius	Ordinary	Trading in printing equipment and consumables	100.00	-	100.00	-
Heilderberg Océan Indien Limitée	Mauritius	Ordinary	Investment		100.00	-	100.00
Intergraph Réunion	Réunion	Ordinary	Trading in printing equipment and consumables for printing	-	100.00	-	100.00
Intergraph Réunion SAV	Réunion	Ordinary	After sales service	-	100.00	-	100.00
SCI Les Alamandas	Réunion	Ordinary	Real Estate	-	100.00	-	100.00
Intergraph Réunion Papier	Réunion	Ordinary	Trading in papers	-	100.00	-	100.00
Intergraph Africa Ltd	Mauritius	Ordinary	Trading in printing equipment and consumables	-	100.00	-	100.00
Adam and Company Limited (i)	Mauritius	Ordinary	Inactive	-	100.00	-	100.00
Cassis Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Equip and Rent Company Ltd	Mauritius	Ordinary	Rental of equipment	100.00	-	100.00	-
Fondation Joseph Lagesse	Mauritius	Ordinary	Charitable institution	100.00	-	100.00	-
IBL Africa Investment Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Biotechnology International Ltd	Mauritius	Ordinary	Research and Development	100.00	-	100.00	-
IBL Loyalty Ltd (fomerly known as IBL Corporate Services Ltd) (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-

(i) Companies are inactive
(ii) Companies are inactive and in process of de-registration or in the process of liquidation
(iii) Transferred from investment in joint venture to investment in subsidiary following increase in stake
(iv) Increase in percentage holding further to share buy-back
(v) Investments disposed
(vi) Change in percentage holding without loss of control
(vii) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2020
(viii) Acquired during the year
(ix) Recapitalisation
(x) Companies have been de-registered
(xi) Companies incorporated during the year

Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
IBL Entertainment Limited (i)	Mauritius	Ordinary	Inactive	-	100.00	-	100.00
IBL Entertainment Holding Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
IBL Treasury Management Ltd (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Les Cuisines Solidaires Ltée	Mauritius	Ordinary	Charitable institution	-	100.00	-	100.00
IBL International Limited	Kenya	Ordinary	Business Development	100.00	-	100.00	-
IBL Training Services Limited (i)	Mauritius	Ordinary	Training services	100.00	-	100.00	-
GML Immobilier Ltée	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
IMV Services Ltd	Mauritius	Ordinary	Rental of equipment	100.00	-	100.00	-
I-Consult Limited	Mauritius	Ordinary	IT Services	100.00	-	100.00	-
I-Telecom Ltd	Mauritius	Ordinary	IT Services	100.00	-	100.00	-
Ireland Blyth (Seychelles) Ltd (i)	Seychelles	Ordinary	Inactive	100.00	-	100.00	-
Ireland Fraser and Company Limited (i)	Mauritius	Ordinary	Inactive	100.00	-	100.00	-
Printvest Holding Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Management Ltd	Mauritius	Ordinary	Management Services	100.00	-	100.00	-
IBL Treasury Ltd	Mauritius	Ordinary	Treasury	100.00	-	100.00	-
SPCB Ltée (ii)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Ze Dodo Trail Ltd	Mauritius	Ordinary	Organiser of trails	100.00	-	100.00	-
Beach International Company Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS International Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Trustees Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Outsourcing Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
DTOS Registry Services Ltd	Mauritius	Ordinary	Provider of Services	-	100.00	-	100.00
DTOS East Africa Company Limited	Uganda	Ordinary	Global business	-	100.00	-	100.00
DTOS International East Africa (K) Limited	Kenya	Ordinary	Global business	-	100.00	-	100.00
IBL Financial Services Holding Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Interface International Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Interface Management Services Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
IPSE (Nominees) Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
ITA EST (Nominees) Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Knights & Johns Management Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Pines Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Pines Nominees Ltd	Mauritius	Ordinary	Global business	-	100.00	-	100.00
Eagle Insurance Limited (formerly known as Mauritian Eagle Insurance Company Limited)	Mauritius	Ordinary	General Insurance	60.00	-	60.00	-

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
Specialty Risk Solutions Ltd	Mauritius	Ordinary	General Insurance	**-**	**42.00**	-	42.00
Eagle Investment Property Limited (formerly known as MEI Investment Property Limited)	Mauritius	Ordinary	Property	**-**	**60.00**	-	60.00
The Bee Equity Partners Ltd	Mauritius	Ordinary	Investment	**34.95**	**-**	34.95	-
Alentaris Ltd	Mauritius	Ordinary	Investment	**75.51**	**-**	75.51	-
Alentaris Recruitment Ltd	Mauritius	Ordinary	Recruitment services	**-**	**75.51**	-	75.51
Alentaris Consulting Ltd	Mauritius	Ordinary	Human resource consulting	**-**	**75.51**	-	75.51
Alentaris Management Ltd	Mauritius	Ordinary	Management company	**-**	**75.51**	-	75.51
International Development Partners (E.A) Limited	Kenya	Ordinary	Recruitment services and human resource management	**-**	**74.00**	-	-
LCF Holdings Ltd (vi)	Mauritius	Ordinary	Investment dealing and advisory services	**75.00**	**-**	75.00	-
LCF Registry & Advisory Ltd	Mauritius	Ordinary	Investment dealing and advisory services	**-**	**60.00**	-	60.00
LCF Securities Ltd	Mauritius	Ordinary	Investment dealing and advisory services	**-**	**63.75**	-	63.75
LCF Wealth Ltd	Mauritius	Ordinary	Investment dealing and advisory services	**-**	**60.00**	-	60.00
IBL Link Ltd	Mauritius	Ordinary	Investment	**100.00**	**-**	100.00	-
GWS Technologies Ltd (vii)	Mauritius	Ordinary	Investment	**-**	**80.00**	-	80.00
Real soft Ltd (xi)	Mauritius	Ordinary	Software Publishing	**-**	**40.00**	-	-
The Ground Collaborative Space Ltd (vi)	Mauritius	Ordinary	Collaborative workspace	**-**	**86.23**	-	86.23
Universal Media Ltd	Mauritius	Ordinary	Media	**-**	**55.00**	-	55.00
Lux* Island Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**56.47**	**-**	56.47	-
Holiday & Leisure Resorts Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Merville Beach Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Merville Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Blue Bay Tokey Island Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Beau Rivage Co Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
LIR Properties Ltd (formely known as Lux Resorts Ltd)	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Les Pavillons Resorts Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
LTK Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
FMM Ltée	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
MSF Leisure Company Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Hotel Prestige Réunion SAS	Réunion	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Le Recif	Réunion	Ordinary	Hospitality and Tourism	**-**	**55.97**	-	55.97
Les Villas du Lagon SA	Réunion	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Naiade Holidays (Pty) Ltd	South Africa	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Oceanide Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
Nereide Limited	Mauritius	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
Lux Island Resort Foundation	Mauritius	Ordinary	Charitable institution	**-**	**56.47**	-	56.47
Lux Island Resort Maldives Ltd	Seychelles	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
White Sand Resorts & Spa Pvt Ltd	Maldives	Ordinary	Hospitality and Tourism	**-**	**56.47**	-	56.47
The Lux Collective Ltd	Mauritius	Ordinary	Hospitality and Tourism	**49.61**	**-**	49.61	-
Lux Island Resort Seychelles Ltd	Seychelles	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
LIRTA Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
The Lux Collective UK Ltd (formerly known as Lux Island Resorts UK Limited)	UK	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Island Light Vacations Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Salt Hospitality Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Palm Boutique Hotel Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
The Lux Collective Pte Ltd	Singapore	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Café LUX Ltd	Mauritius	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Lux Hotel Management (Shanghai) Co Ltd	China	Ordinary	Hospitality and Tourism	**-**	**49.61**	-	49.61
Bloomage Ltd	Mauritius	Ordinary	Real Estate & Property Management	**100.00**	**-**	100.00	-
Southern Investments Ltd (vi)	Mauritius	Ordinary	Real Estate	**-**	**100.00**	-	100.00
SCI Edena	Réunion	Ordinary	Real Estate	**-**	**23.28**	-	23.28
BlueLife Limited	Mauritius	Ordinary	Property Development & Holding Co	**48.99**	**-**	48.99	-
Haute Rive Holdings Limited	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Azuri Suites Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Azuri Watch Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Azuri Services Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Azuri Estate Management Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Haute Rive Ocean Front Living Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Haute Rive IRS Company Limited	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Haute Rive PDS Company Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
HR Golf Holding Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Azuri Golf Management Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Circle Square Holding Company Limited	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Life in Blue Limited	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Ocean Edge Property Management Company Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
Les Hauts Champs 2 Ltd	Mauritius	Ordinary	Property Development	**-**	**48.99**	-	48.99
PL Resort Ltd	Mauritius	Ordinary	Property Development	**-**	**43.37**	-	43.37
Haute Rive Azuri Hotel Ltd	Mauritius	Ordinary	Property Development	**-**	**38.13**	-	38.13
IBL Life Ltd	Mauritius	Ordinary	Biotechnologies	**100.00**	**-**	100.00	-
Healthscape Ltd (xi)	Mauritius	Ordinary	Cryotherapy	**-**	**100.00**	-	-
CIDP Holding (formerly Rouclavier Ltée)	Mauritius	Ordinary	Research and Biotechnology	**-**	**90.00**	-	90.00
Services Gestion des Compagnies Ltée	Mauritius	Ordinary	Management Services	**-**	**90.00**	-	90.00
CIDP Preclinical Ltd	Mauritius	Ordinary	Clinical testing	**-**	**90.00**	-	90.00
CIDP India Ltd	Mauritius	Ordinary	Clinical testing of pharmaceutical and cosmetic products	**-**	**90.00**	**-**	**90.00**

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	-	89.10	-	89.10
CIDP International	Mauritius	Ordinary	Clinical research and investment	-	89.10	-	89.10
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	89.10	-	89.10
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	-	90.00	-	90.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	89.10	-	89.10
Centre de Phytotherapie et de Recheche Ltée	Mauritius	Ordinary	Testing and analysis of plants	-	90.00	-	90.00
CIDP Singapore Ltd	Mauritius	Ordinary	Clinical research and investment	-	90.00	-	90.00
Centre International de Development Pharmaceutique (formerly known as CIDP Biotech Singapore)	Singapore	Ordinary	Clinical testing of pharmaceutical and cosmetic products	-	90.00	-	90.00
Air Mascareignes Limitée	Mauritius	Ordinary	Tourism	50.00	-	50.00	-
Australair General Sales Agency Ltd	Mauritius	Ordinary	Tourism and Travel	-	50.00	-	50.00
Australair GSA Comores SARL	Comoros	Ordinary	Tourism and Travel	-	50.00	-	50.00
Australair GSA Mada s.a.	Madagascar	Ordinary	Tourism and Travel	-	50.00	-	50.00
Catovair Comores SARL (i)	Mauritius	Ordinary	Tourism and Travel	-	50.00	-	50.00
Compagnie Thonière de l'Ocean Indien Ltée	Mauritius	Ordinary	Rental of fishing boats	100.00	-	100.00	-
Ground 2 Air Ltd (formerly known as Equity Aviation Indian Ocean Limited)	Mauritius	Ordinary	Ground handling	100.00	-	100.00	-
Equity Aviation Comores SARL	Mauritius	Ordinary	Ground handling	-	100.00	-	100.00
G2A Camas Ltd	Mauritius	Ordinary	Training	-	50.00	-	50.00
IBL Aviation SARL (x)	Madagascar	Ordinary	Tourism and Travel	-	-	-	100.00
IBL Aviation Comores SARL (i)	Comoros	Ordinary	Tourism and Travel	-	100.00	-	100.00
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	100.00	-	100.00	-
IBL Comores SARL	Comoros	Ordinary	Tourism	100.00	-	100.00	-
IBL Comores GSA Anjouan SARL	Comoros	Ordinary	Tourism	-	100.00	-	100.00
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	-	100.00	-
IBL Regional Development Limited	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	-	100.00	-	100.00
Arcadia Travel Comores SARL	Comoros	Ordinary	Travel agency	-	100.00	-	100.00
Arcadia Travel Limited (formerly known as IBL Travel Limited) (ix)	Mauritius	Ordinary	Travel agency	100.00	-	100.00	-
IBL Travel SARL(ii)	Mauritius	Ordinary	Travel agency	-	-	-	100.00
Indian Ocean Dredging Ltd (ii)	Mauritius	Ordinary	Inactive	-	-	100.00	-
IBL Shipping Company Ltd (formerly known a s Indian Ocean Logistics Limited)	Mauritius	Ordinary	Import-Export	100.00	-	100.00	-
I World Ltd	Mauritius	Ordinary	Commerce	100.00	-	100.00	-
Ireland Fraser (Madagascar) SARL(ii)	Madagascar	Ordinary	Commerce	-	100.00	-	100.00
Logidis Limited (ix)	Mauritius	Ordinary	Warehousing	100.00	-	100.00	-
Mad Courrier SARL	Madagascar	Ordinary	Courier service	92.50	-	92.50	-
Mada Aviation SARL	Madagascar	Ordinary	General sales agent	100.00	-	100.00	-
Reefer Operations Limited	Isle Of Man	Ordinary	Shipping	100.00	-	100.00	-
Reefer Operations (BVI) Limited	British Virgin Island	Ordinary	Shipping	-	100.00	-	100.00
Seaways Marine Supplies Limited (x)	Mauritius	Ordinary	Shipping	-	-	100.00	-

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Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
Société Mauricienne de Navigation Ltée (i)	Mauritius	Ordinary	Service provider	100.00	-	100.00	-
Somatrans SDV Ltd	Mauritius	Ordinary	Import-Export	75.00	-	75.00	-
Somatrans SDV Logistics Ltd	Mauritius	Ordinary	Import-Export	-	75.00	-	75.00
Southern Seas Shipping Company Limited (ix)	Mauritius	Ordinary	Shipping	100.00	-	100.00	-
IBL LAS Support Ltd (formerly known as Tourism Services International Limited)	Mauritius	Ordinary	Support Services	100.00	-	100.00	-
Aquatic Proteins Private Limited	India	Ordinary	Manufacturing	-	70.00	-	70.00
Cervonic Ltd	Mauritius	Ordinary	Manufacturing	-	85.00	-	85.00
Froid des Mascareignes Ltd	Mauritius	Ordinary	Storage	-	59.50	-	59.50
IBL Biotechnology Investment Holdings Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Biotechnology (Mauritius) Ltd	Mauritius	Ordinary	Research and Development	90.00	-	90.00	-
IBL India Investments Ltd	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Gabon Investments Limited	Mauritius	Ordinary	Investment	100.00	-	100.00	-
Tropical Holding SA	Gabon	Ordinary	Seafood	-	60.00	-	60.00
IBL Ugandan Holdings 1 Limited (i)	Mauritius	Ordinary	Investment	100.00	-	100.00	-
IBL Ugandan Holdings 2 Limited (x)	Mauritius	Ordinary	Investment	-	-	100.00	-
IBL Seafood Support Services Ltd (formerly known as Société de Traitement et d'Assainissement des Mascareignes Limitée)	Mauritius	Ordinary	Support Services	100.00	-	100.00	-
Industrie et Services de l'Océan Indien Limitée	Mauritius	Ordinary	Maritime Transport	-	63.83	-	63.83
La Tropicale Mauricienne Ltée	Mauritius	Ordinary	Manufacturing	100.00	-	100.00	-
Marine Biotechnology Products Ltd	Mauritius	Ordinary	Manufacturing	-	56.95	-	56.95
Marine Biotechnology International Ltd	Mauritius	Ordinary	Investment	-	85.00	-	85.00
Marine Biotechnology Products Cote d'Ivoire	Ivory Coast	Ordinary	Investment	-	41.65	-	41.65
Seafood Hub Limited	Mauritius	Ordinary	Investment	85.00	-	85.00	-
Transfroid Ltd	Mauritius	Ordinary	Import-Export	-	59.50	-	59.50
Camp Investment Company Limited	Mauritius	Ordinary	Investment	49.60	-	49.60	-
Phoenix Management Company Ltd	Mauritius	Ordinary	Management	-	49.58	-	49.56
Phoenix Investment Company Limited	Mauritius	Ordinary	Investment	26.17	11.25	26.17	11.25
Phoenix Beverages Limited	Mauritius	Ordinary	Production of Beer and Bottles and distribution of beverages	3.21	20.07	3.21	20.07
MBL Offshore Ltd	Mauritius	Ordinary	Investment	-	23.28	-	23.28
Phoenix Beverages Overseas Ltd	Mauritius	Ordinary	Export of beverages	-	23.28	-	23.28
The (Mauritius) Glass Gallery Ltd	Mauritius	Ordinary	Production and sale of glasswares	-	17.69	-	16.46
Phoenix Distributors Limited	Mauritius	Ordinary	Distribution of beverages	-	22.66	-	21.09
Phoenix Camp Minerals Offshore Limited	Mauritius	Ordinary	Investment	-	23.28	-	23.28
Phoenix Réunion SARL	Réunion	Ordinary	Commissioning agent	-	23.28	-	23.28
Helping Hands Foundation	Mauritius	Ordinary	Charitable institution	-	20.37	-	18.96
Phoenix Foundation	Mauritius	Ordinary	Foundation	-	23.28	-	23.28
Edena S.A.	Réunion	Ordinary	Distribution of beverages	-	23.28	-	23.28
Espace Solution Réunion SAS	Réunion	Ordinary	Other Services	-	23.28	-	23.28
The Traditional Green Mill Ltd (xi)	Mauritius	Ordinary	Restaurant	-	23.28	-	-

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11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

	Percentage of voting rights held by non-controlling interests		Net profit/(loss) attributable to non-controlling interest		Accumulated non-controlling interests		Dividend paid to non-controlling interests	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
			Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Lux* Island Resorts Ltd	**43.53%**	43.53%	**(382,300)**	317,685	**2,422,556**	2,901,674	**-**	(80,583)
Camp Investment Company Limited	**50.40%**	50.40%	**413,362**	575,539	**3,394.746**	3,381,776	**(180,117)**	(192,943)
United Basalt Products Ltd	**66.86%**	66.86%	**22,664**	131,720	**2,241,017**	2,202,159	**(34,277)**	(82,203)
Chantier Naval de l'Océan Indien Ltd	**36.17%**	36.17%	**9,101**	97,658	**810,042**	736,935	**(8,110)**	(54,981)
BlueLife Limited	**51.01%**	51.01%	**(147,842)**	(74,630)	**963,826**	1,140,087	**-**	-
Individually immaterial subsidiaries with non-controlling interests			**(150,003)**	(85,913)	**1,265,073**	1,158,322	**(105,620)**	(170,604)
Total			**(235,019)**	962,059	**11,097,260**	11,520,953	**(328,124)**	(581,314)

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Lux* Island Resorts Ltd	**2020**	2019
	Rs'000	Rs'000
Current assets	**1,537,212**	1,089,633
Non-current assets	**14,062,546**	11,198,805
Current liabilities	**4,972,134**	2,439,513
Non-current liabilities	**5,062,368**	3,842,466
Equity attributable to owners of the Company	**3,142,700**	3,104,785
Non-controlling interest	**2,422,556**	2,901,674

	2020	2019
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**4,847,130**	6,413,433
Expenses	**(5,725,376)**	(5,683,850)
(Loss)/profit for the year	**(878,246)**	729,583
(Loss)/profit for the year:		
- (Loss)/profit attributable to owners of the Company	**(495,946)**	411,898
- (Loss)/profit attributable to the non-controlling interests	**(382,300)**	317,685
	(878,246)	729,583
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	**185,873**	(135,573)
- Other comprehensive income/(loss) attributable to the non-controlling interests	**250,590**	(104,506)
	436,463	(240,079)
Total comprehensive (loss)/income for the year:		
- Total comprehensive (loss)/income attributable to owners of the Company	**(310,073)**	276,325
- Total comprehensive (loss)/income attributable to the non-controlling interests	**(131,710)**	213,179
	(441,783)	489,504
Summarised statements of cash flows:		
Net cash inflow from operating activities	**555,988**	1,020,793
Net cash outflow from investing activities	**(923,908)**	(428,985)
Net cash inflow/(outflow) from financing activities	**287,023**	(605,040)
Net cash outflow for the year	**(80,897)**	(13,232)

Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Camp Investment Company Limited	2020	2019
Summarised statements of financial position:	Rs'000	Rs'000
Current assets	1,804,304	1,925,622
Non-current assets	5,397,041	4,765,624
Current liabilities	1,525,436	1,233,292
Non-current liabilities	1,256,530	1,028,511
Equity attributable to owners of the Company	1,024,633	1,047,667
Non-controlling interest	3,394,746	3,381,776

	2020	2019
Summarised statements of profit or loss:	Rs'000	Rs'000
Revenue from contracts with customers	7,572,564	7,824,421
Expenses	(7,081,838)	(7,140,905)
Profit for the year	490,726	683,516
Profit for the year:		
- Profit attributable to owners of the Company	77,364	107,977
- Profit attributable to the non-controlling interests	413,362	575,539
	490,726	683,516
Other comprehensive loss for the year:		
- Other comprehensive loss attributable to owners of the Company	(184,399)	(24,478)
- Other comprehensive loss attributable to the non-controlling interests	(57,174)	(137,677)
	(241,573)	(162,155)
Total comprehensive (loss)/income for the year:		
- Total comprehensive (loss)/income attributable to owners of the Company	(107,035)	83,499
- Total comprehensive income attributable to the non-controlling interests	356,188	437,862
	249,153	521,361
Summarised statements of cash flows:		
Net cash inflow from operating activities	802,098	814,280
Net cash outflow from investing activities	(509,803)	(469,546)
Net cash outflow from financing activities	(287,167)	(369,386)
Net cash inflow/(outflow) for the year	5,128	(24,652)

Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

United Basalt Products Ltd	2020	2019
Summarised statements of financial position:	Rs'000	Rs'000
Current assets	1,391,694	1,362,183
Non-current assets	4,316,207	3,743,154
Current liabilities	814,977	770,961
Non-current liabilities	1,460,126	1,174,302
Equity attributable to owners of the Company	1,191,781	957,915
Non-controlling interest	2,241,017	2,202,159

	2020	2019
Summarised statements of profit or loss:	Rs'000	Rs'000
Revenue from contracts with customers	2,990,928	3,363,398
Expenses	(2,958,878)	(3,146,914)
Profit for the year	32,050	216,484
Profit for the year:		
- Profit attributable to owners of the Company	9,386	57,368
- Profit attributable to the non-controlling interests	22,664	131,720
	32,050	189,088
Other comprehensive income for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	48,545	(2,482)
- Other comprehensive income/(loss) attributable to the non-controlling interests	97,060	(5,074)
	145,605	(7,556)
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	57,931	54,886
- Total comprehensive income attributable to the non-controlling interests	119,724	126,646
	177,654	181,532
Summarised statements of cash flows:		
Net cash inflow from operating activities	340,348	451,354
Net cash outflow from investing activities	(241,303)	(299,017)
Net cash inflow/(outflow) from financing activities	43,582	(143,397)
Net cash inflow for the year	142,627	8,940

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Chantier Naval de l'Océan Indien Ltd	**2020**	2019
Summarised statements of financial position:	**Rs'000**	Rs'000
Current assets	**550,820**	767,488
Non-current assets	**2,049,921**	1,666,853
Current liabilities	**137,182**	312,347
Non-current liabilities	**122,369**	88,400
Equity attributable to owners of the Company	**1,531,148**	1,296,659
Non-controlling interest	**810,042**	736,935

	2020	2019
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**814,831**	1,079,268
Expenses	**(789,670)**	(822,688)
Profit for the year	**25,161**	256,580
Profit for the year:		
- Profit attributable to owners of the Company	**16,060**	158,922
- Profit attributable to the non-controlling interests	**9,101**	97,658
	25,161	256,580
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	**129,289**	1,758
- Other comprehensive income attributable to the non-controlling interests	**73,264**	996
	202,553	2,754
Total comprehensive (loss)/income for the year:		
- Total comprehensive (loss)/income attributable to owners of the Company	**145,349**	160,680
- Total comprehensive income attributable to the non-controlling interests	**82,365**	98,655
	227,714	259,335
Summarised statements of cash flows:		
Net cash inflow from operating activities	**107,238**	373,702
Net cash outflow from investing activities	**(165,666)**	(35,139)
Net cash outflow from financing activities	**(152,840)**	(180,199)
Net cash inflow/(outflow) for the year	**(211,268)**	158,364

Notes to the Financial Statements for the year ended 30 June 2020

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

BlueLife Limited	**2020**	2019 (Restated)
Summarised statements of financial position:	**Rs'000**	Rs'000
Current assets	**713,250**	733,563
Non-current assets	**2,980,752**	3,366,828
Current liabilities	**1,276,852**	1,321,423
Non-current liabilities	**584,161**	621,107
Equity attributable to owners of the Company	**869,163**	1,014,623
Non-controlling interest	**963,826**	1,143,238

	2020	2019
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**473,331**	597,261
Expenses	**(797,288)**	(735,856)
Loss for the year	**(323,957)**	(138,595)
Loss for the year:		
- Loss attributable to owners of the Company	**(176,115)**	(63,963)
- Loss attributable to the non-controlling interests	**(147,842)**	(74,630)
	(323,957)	(138,593)
Other comprehensive loss for the year:		
- Other comprehensive loss attributable to owners of the Company	**(746)**	(2,277)
- Other comprehensive loss attributable to the non-controlling interests	**(180)**	(3,614)
	(926)	(5,891)
Total comprehensive loss for the year:		
- Total comprehensive loss attributable to owners of the Company	**(176,861)**	(66,240)
- Total comprehensive loss attributable to the non-controlling interests	**(148,022)**	(78,246)
	(324,883)	(144,486)
Summarised statements of cash flows:		
Net cash outflow from operating activities	**(55,794)**	(202,722)
Net cash inflow from investing activities	**136,177**	85,796
Net cash (outflow)/inflow from financing activities	**(116,072)**	46,454
Net cash outflow for the year	**(35,689)**	(70,472)

Notes to the Financial Statements for the year ended 30 June 2020

12. INVESTMENTS IN ASSOCIATES

(a) THE GROUP

	2020 Rs'000	2019 Rs'000
At 1 July		
– As previously stated (Note (iii))	**8,938,782**	8,840,830
– Prior year adjustments (Note 43)	**–**	(149,044)
– As restated	**8,938,782**	8,691,786
Additions	**317,631**	40,000
Disposals	**–**	(16,928)
Impairment loss	**(198,612)**	(20,544)
Share of profits – Continuing	**539,050**	410,937
Dividend income	**(292,511)**	(166,012)
Movement in fair value reserves	**(10,420)**	2,525
Movement in revaluation reserves	**92,875**	(5,757)
Movement in currency translation reserves	**184,379**	826
Movement in other reserves	**(51,723)**	78,246
Other movements in retained earnings	**1,975**	(75,821)
Transfer to investment in subsidiaries (Note 11)	**–**	(476)
Capital redemption (Note (ii))	**(48,991)**	–
At 30 June	**9,472,435**	8,938,782

(i) At 30 June 2020, the Group had recognised impairment losses with respect to Nutrifish SAS (Rs 151.3 million), Price Guru Ltd (Rs 37.4 million), Scimat SAS (Rs 3.7 million) and Cosy Club Management Services Ltd (Rs 6.2 million) due to recoverable values being lower than the carrying values. The recoverable amounts of the associates are determined based on their value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. Value-in-use for each associate was determined by discounting the future cash flows generated by applying key assumptions encircling the cash flows which were projected based on actual operating results extrapolated using an annual growth rate for a period of five years where the cash flows after the five years period were also extrapolated using a perpetual growth rate in order to calculate the terminal recoverable amount. Discount rates which represent the current market assessment of the risk specific to the associate taking into consideration the time value of money and the weighted average cost of capital (WACC) were also key assumptions. Whilst estimating the recoverable amounts for Nutrifish SAS and Scimat SAS in addition to Price Guru Ltd and Cosy Club Management Services Ltd, it was noted that those companies ended up having a recoverable amount of nil as they were not operating given the current prevailing market conditions where cashflow projections were nil. These impairment losses were recognised in the statement of profit or loss under other gains and losses (Note 33). At 30 June 2019, the Group has recognised impairment losses with respect to Supintex Limited and Mer des Mascareignes Limitée (due to recurring losses incurred by these entities).

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

(iii) The previously stated balance includes the effect of adopting new accounting standards on 1 July 2019 amounting to Rs 130 million.

Notes to the Financial Statements for the year ended 30 June 2020

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(b) THE COMPANY

	Listed Rs'000	Unquoted Rs'000	Total Rs'000
At 1 July 2018	2,253,652	3,639,915	5,893,567
Disposal	–	(39,167)	(39,167)
Fair value adjustments	(598,626)	67,827	(530,799)
At 30 June 2019	1,655,026	3,668,575	5,323,601
At 1 July 2019	**1,655,026**	**3,668,575**	**5,323,601**
Fair value adjustments	**(316,920)**	**318,845**	**1,925**
At 30 June 2020	**1,338,106**	**3,987,420**	**5,325,526**

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

	THE GROUP	
	2020 Rs'000	2019 Rs'000
Recapitalisation of loan	**151,326**	–
Cash consideration	**166,305**	40,000
	317,631	40,000

Recapitalisation of loan relates to a loan receivable from Nutrifish SAS being capitalised during the year under review.

The cash consideration is in respect of the acquisition of Victoria Station, Identical Media Holding and Medscheme (Mtius) Ltd.

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

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

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(f) Details of associates

	Country of incorporation	Type of shares	2020 % held Direct	2020 % held Indirect	2019 % held Direct	2019 % held Indirect
AfrAsia Bank Limited	Mauritius	Ordinary	**30.29**	**–**	30.29	–
AfrAsia Investments Limited	Mauritius	Ordinary	**–**	**30.29**	–	30.29
AfrAsia Capital Management Ltd	Mauritius	Ordinary	**–**	**30.29**	–	30.29
Alteo Ltd	Mauritius	Ordinary	**27.64**	**–**	27.64	–
Australair GSA Seychelles Ltd (iii)	Seychelles	Ordinary	**–**	**49.00**	–	49.00
Compagnie des Travaux Maritimes des Mascareignes Ltee (iii)	Mauritius	Ordinary	**–**	**25.00**	–	25.00
Confido Holding Limited	Mauritius	Ordinary	**33.33**	**–**	33.33	–
EllGeo Re (Mauritius) Ltd	Mauritius	Ordinary	**–**	**33.33**	–	33.33
Cosy Club Management Services Ltd	Mauritius	Ordinary	**–**	**44.67**	–	44.67
Crown Corks Industries Ltd	Mauritius	Ordinary	**–**	**7.07**	–	6.58
DDL Promotion Ltee (i)	Mauritius	Ordinary	**–**	**40.00**	–	40.00
Chronopost (Mauritius) Ltd (formerly known as DPD Laser (Mauritius) Ltd)	Mauritius	Ordinary	**25.00**	**–**	25.00	–
Energie des Mascareignes Limitée (iii)	Mauritius	Ordinary	**30.00**	**–**	30.00	–
Island Management Ltd	Mauritius	Ordinary	**25.00**	**–**	25.00	–
IBL Energy Efficiency Ltd (iii)	Mauritius	Ordinary	**–**	**35.00**	–	35.00
IBL Photovoltaic Solutions Ltd (iii)	Mauritius	Ordinary	**–**	**40.00**	–	40.00
Identical Media Holding Ltd (v)	Mauritius	Ordinary	**–**	**10.48**	–	–
H. Savy Insurance Company Ltd	Seychelles	Ordinary	**–**	**12.00**	–	12.00
LCL Cynologics Ltd	Mauritius	Ordinary	**–**	**30.05**	–	30.05
Madalg SARL (iii)	Madagascar	Ordinary	**40.00**	**–**	40.00	–
Mauritius Coal and Allied Services Co Ltd	Mauritius	Ordinary	**49.00**	**–**	49.00	–
Medscheme (Mtius) Ltd (v)	Mauritius	Ordinary	**–**	**18.00**	–	–
Mer des Mascareignes Limitee	Mauritius	Ordinary	**–**	**42.50**	–	42.50
Nutrifish SAS	France	Ordinary	**–**	**41.25**	–	24.97
Princes Tuna (Mauritius) Ltd	Mauritius	Ordinary	**23.37**	**17.27**	23.37	17.27
Quantilab Holding Ltd	Mauritius	Ordinary	**–**	**50.00**	–	50.00
Scimat SAS	Reunion	Ordinary	**50.00**	**–**	50.00	–
Supintex Limited	Mauritius	Ordinary	**49.00**	**–**	49.00	–
Supinvest Ltd	Mauritius	Ordinary	**–**	**49.00**	–	49.00
Switch Energy Ltd	Mauritius	Ordinary	**–**	**21.27**	–	21.27
Price Guru Ltd	Mauritius	Ordinary	**–**	**20.00**	–	20.00
Victoria Station (v)	Mauritius	Ordinary	**–**	**24.13**	–	–

(i) Companies are inactive
(ii) Companies are inactive and in process of de-registration
(iii) These have not been equity accounted in the financial statements as they were inactive and not material to the Group
(iv) Increase in sake and transferred to investments in subsidiaries
(v) Investments acquired during the year

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

Notes to the Financial Statements for the year ended 30 June 2020

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

	2020 Rs'000	2019 Rs'000
Summarised statements of financial position:		
Current assets	**1,122,868**	1,218,402
Non-current assets	**904,808**	563,583
Current liabilities	**766,266**	397,044
Non-current liabilities	**217,060**	319,438
Summarised statements of profit or loss and other comprehensive income		
The Group's share of profit from continuing operations	**179,754**	56,460
The Group's share of other comprehensive loss	**(5,159)**	(2,687)
The Group's share of profit and total comprehensive income	**174,595**	53,773
Carrying amount of the Group's total interest in its associates	**593,962**	506,867

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(h) Details of significant associates

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

AfrAsia Bank Limited	2020 Rs'000	2019 Rs'000
Summarised statements of financial position:		
Current assets	**131,541,320**	112,729,633
Non-current assets	**28,935,557**	28,631,077
Current liabilities	**150,826,106**	125,583,504
Non-current liabilities	**999,289**	8,076,668
Equity attributable to other shareholders	**1,399,768**	760,617
Summarised statements of profit or loss:		
Revenue from contracts with customers	**3,010,670**	3,259,208
Profit for the year attributable to ordinary shareholders of the Company	**1,542,996**	1,627,973
Other comprehensive loss attributable to ordinary shareholders of the Company	**(15,368)**	(1,071)
Total comprehensive income for the year attributable to ordinary shareholders of the Company	**1,527,628**	1,626,902
Group's share ofprofit for year of the associate	**422,733**	493,113
Group's share of total comprehensive income of the associate	**418,078**	492,788
Dividend income from associate	**130,039**	56,463

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

	2020 Rs'000	2019 Rs'000
Net assets of the associate attributable to the Group	**7,251,709**	6,939,923
Percentage holding by the Group (Note 12(f))	**30.29%**	30.29%
Share of net assets	**2,196,543**	2,102,102
Goodwill	**364,963**	364,964
Carrying value of the Group's share	**2,561,506**	2,467,066

Notes to the Financial Statements for the year ended 30 June 2020

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(h) Details of significant associates (Continued)

Alteo Ltd	2020 Rs'000	2019 Rs'000
Summarised statements of financial position:		
Current assets	**6,925,029**	5,879,010
Non-current assets	**23,051,651**	22,655,024
Current liabilities	**5,116,244**	4,210,223
Non-current liabilities	**7,701,578**	7,002,897
Equity attributable to other shareholders	**1,365,039**	1,542,646
Summarised statements of profit or loss:		
Revenue from contracts with customers	**8,290,697**	8,997,439
Loss for the year attributable to ordinary shareholders of the Company	**(102,340)**	(821,268)
Other comprehensive income attributable to ordinary shareholders of the Company	**327,127**	35,420
Total comprehensive income/(loss) attributable to ordinary shareholders of the Company	**224,787**	(785,848)
Group's share of loss for year of the associate	**(28,287)**	(226,998)
Group's share of total comprehensive income/(loss) of the associate	**62,131**	(217,208)
Dividend income from associate	**47,537**	58,982

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

	2020 Rs'000	2019 Rs'000
Net assets of associate	**15,831,069**	15,778,268
Percentage holding by the Group (Note 12(f))	**27.64%**	27.64%
Share of net assets	**4,375,707**	4,361,113
Carrying value of the Group's share	**4,375,707**	4,361,113

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(h) Details of significant associates (Continued)

Princes Tuna (Mauritius) Ltd	2020 Rs'000	2019 Rs'000
Summarised statements of financial position:		
Current assets	**3,618,139**	3,837,738
Non-current assets	**2,957,707**	1,838,985
Current liabilities	**2,089,822**	2,591,850
Non-current liabilities	**891,429**	1,741
Equity attributable to other shareholders	**185,815**	3,468
Summarised statements of profit or loss:		
Revenue from contracts with customers	**8,653,189**	9,710,749
Profit for the year attributable to ordinary shareholders of the Company	**120,749**	342,651
Other comprehensive loss attributable to ordinary shareholders of the Company	**(41,734)**	(15,471)
Total comprehensive income for the year attributable to ordinary shareholders of the Company	**79,015**	327,180
Group's share of profit for year of the associate	**38,903**	132,916
Group's share of total comprehensive income of the associate	**137,383**	126,158
Dividend income from associate	**32,361**	-

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

	2020 Rs'000	2019 Rs'000
Net assets of associate attributable to the Group	**3,408,780**	3,079,664
Pecentage holding by the Group (Note (i))	**43.68%**	43.68%
Share of net assets	**1,488,955**	1,345,031
Goodwill	**452,303**	452,303
Carrying value of the Group's share	**1,941,258**	1,797,334

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

Notes to the Financial Statements for the year ended 30 June 2020

13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures:

	Type of Shares	Country of incorporation		Percentage held 2020	Percentage held 2019
City Brokers Ltd	Ordinary	Mauritius	Direct	**50.00%**	50.00%
CBL Africa Ltd	Ordinary	Mauritius	Indirect	**50.00%**	50.00%
Manser Saxon Facilities Ltd	Ordinary	Mauritius	Indirect	**46.24%**	46.24%
Plat Form Laser	Ordinary	Mauritius	Indirect	**45.00%**	45.00%

	THE GROUP		THE COMPANY	
	2020 Rs'000	2019 Rs'000	**2020 Rs'000**	2019 Rs'000
At July 1	**113,333**	202,897	**347,679**	347,002
Share of results - continuing	**29,385**	30,369	**-**	-
Share of results - discontinued (Note 21)	**-**	49,875	**-**	-
Dividends	**(20,000)**	(55,000)	**-**	-
Movement in other reserves	**(5,661)**	-	**-**	
Fair value movement	**-**	-	**(45,099)**	677
Impairment loss	**-**	(4,168)	**-**	-
Share of other comprehensive income	**-**	(1,430)	**-**	-
Disposal	**-**	(109,210)	**-**	-
At 30 June	**117,057**	**113,333**	**302,580**	**347,679**

There are no contingent liabilities and capital commitments with respect to the joint ventures.

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

13. INVESTMENTS IN JOINT VENTURES (CONTINUED)

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

	2020 Rs'000	2019 Rs'000
Summarised statements of financial position:		
Current assets	**221,125**	161,892
Non-current assets	**27,432**	18,208
Current liabilities	**97,819**	63,501
Non-current liabilities	**27,238**	1,665
Group's share of profit for the year	**29,385**	30,369
Group's share of total comprehensive income for the year	**23,724**	30,154
Equity	**123,500**	114,934
Group's share in equity	**61,958**	58,234
Goodwill	**55,099**	55,099
Carrying amount of the Group's total interest	**117,057**	113,333
Summarised statements of profit or loss:		
Revenue from contracts with customers	**298,254**	298,254
Cost of sales	**69,721**	69,721
Administrative expenses, including depreciation	**155,661**	155,661
Profit before tax	**70,480**	70,480
Income tax expense	**10,453**	10,453
Profit for the year (continuing operations)	**80,933**	80,933
Total comprehensive income for the year (continuing operations)	**53,186**	53,186

14. OTHER FINANCIAL ASSETS

THE GROUP	Fair value through OCI Rs'000	Fair value through profit or loss Rs'000	Measured at amortised cost Rs'000	Total Rs'000
At 1 July 2018 (Note (ii))	315,728	481,058	328,099	1,124,885
Additions	79,021	100,012	144,315	323,348
Disposals	(35,078)	(186,524)	(190,838)	(412,440)
Fair value adjustments	41,971	(22,056)	758	20,673
Transfer to investment in non-current receivables (Note 17)	-	(1,500)	-	(1,500)
Exchange differences	(5)	640	-	635
Reclassification	578	(292)	-	286
Accrued interest during the year	-	-	3,204	3,204
At 30 June 2019	402,215	371,338	285,537	1,059,091
At 1 July 2019	**402,215**	**371,338**	**285,537**	**1,059,091**
Additions	**68,277**	**92,687**	**84,307**	**245,271**
Disposals	**(26,148)**	**(115,596)**	**(185,634)**	**(327,378)**
Fair value adjustments	**(54,625)**	**(16,845)**	**32,738**	**(38,732)**
Exchange differences	**(24,051)**	**(640)**	**(10,843)**	**(35,534)**
Reclassification	**(369)**	**-**	**369**	**-**
Accrued interest during the year	**69**	**-**	**6,128**	**6,197**
At 30 June 2020	**365,368**	**330,944**	**212,602**	**908,915**

	2020 Rs'000	2019 Rs'000
Analysed as follows:		
Current	**179,643**	485,728
Non-current	**729,273**	573,364
	908,916	1,059,092
Analysed as follows:		
Listed	**255,151**	400,788
Unquoted	**653,765**	691,042
	908,916	1,091,830

14. OTHER FINANCIAL ASSETS (CONTINUED)

THE COMPANY	Fair value through OCI Rs'000	Fair value through profit or loss Rs'000	Measured at amortised cost Rs'000	Total Rs'000
At 1 July 2018 (Note (ii))	130,805	1,500	–	132,305
Additions	5,008	–	–	5,008
Disposals	(1,640)	–	–	(1,640)
Fair value adjustments	(11,879)	–	–	(11,879)
Transfer to investment in non-current receivables (Note 17)	–	(1,500)	–	(1,500)
At 30 June 2019	122,294	–	–	122,294
At 1 July 2019	**122,294**	**–**	**–**	**122,294**
Disposal	**(1,213)**	**–**	**–**	**(1,213)**
Fair value adjustments	**1,288**	**–**	**–**	**1,288**
At 30 June 2020	**122,369**	**–**	**–**	**122,369**

	2020 Rs'000	2019 Rs'000
Analysed as follows:		
Non-current	**122,369**	122,294
Analysed as follows:		
Listed	**28,499**	35,922
Unquoted	**93,870**	86,372
	122,369	122,294

(i) **Impairment of financial assets:**
At Group level, the corporate bonds and deposits are held mainly with reputable local banks and listed entities. The directors have assessed that the credit risk on these financial instruments has not increased significantly since initial recognition and recognises 12-month ECL for these assets. The directors have determined the credit ratings of these instruments to be BBB-, BBB and BB+ based on the sovereign rating and external rating for main local banks. A loss rate given default of 45% has been applied in determining the ECL on the assumption that these corporate bonds are unsecured. There were no impairment of the financial assets at Company level (2019: nil).

(ii) The previously stated balance includes the effect of adopting new accounting standards on 1 July 2019 amounting to Rs 29.1 million for both the Group and the Company.

Notes to the Financial Statements for the year ended 30 June 2020

15. INVENTORIES

	THE GROUP			THE COMPANY	
	2020	2019 (Restated)	2018 (Restated)	**2020**	2019
	Rs'000	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials (at cost)	**1,590,690**	1,120,481	966,392	**312,873**	–
Spare parts (at cost)	**253,785**	199,535	162,662	**219**	–
Work in progress (at cost)	**204,233**	135,153	169,160	**–**	–
Finished goods (at lower of cost and net realisable value)	**2,833,037**	2,987,756	2,701,127	**512,667**	742,230
Goods in transit (at cost)	**285,408**	352,456	207,354	**135,678**	131,770
Stock of land for sale (at net realisable value)	**93,145**	83,207	75,605	**–**	–
	5,260,298	4,878,588	4,282,300	**961,437**	874,000

The trading stocks of some subsidiaries have been pledged as security for bank facilities granted to them. The carrying amount of inventory pledged as security is Rs 1,552.5 million (2019: Rs 2,204.5 million). The cost of inventories recognised as an expense includes an amount of Rs 7.6 million (2019: Rs 68.6 million) in respect of write down of inventories to net realisable value.

The marketing costs have been incorrectly capitalised since inception. However, as per the definition of IAS 2 criteria, marketing costs are considered as part of selling cost and should be excluded from the cost of inventory and are expensed as incurred. Since impact is quantitatively and qualitatively material, this has resulted to a correction of a prior period error. Refer to Note 43.

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right of use assets

Group as a lessee

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

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

	THE GROUP					THE COMPANY		
	Land and building	Plant and equipment	Motor vehicles	Office furniture and Computer equipment	Total	Land and building	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Recognition of right of use assets on initial application of IFRS 16 on 1 July 2019	3,610,888	328,559	35,325	-	**3,974,772**	13,068	4,272	17,340
Transfer from property, plant and equipment (Note 4)	1,365	137,533	142,573	19,047	**300,518**	-	10,680	10,680
Transfer from intangible assets (Note 6)	749,460	-	-	-	**749,460**	-	-	-
Additions for the year	331,405	96,592	31,327	-	**459,324**	52,913	3,577	56,490
Depreciation charge for the year	(318,642)	(122,069)	(45,048)	(3,809)	**(489,568)**	(13,400)	(7,001)	(20,401)
Exchange differences	78,004	36,322	-	-	**114,326**	-	-	-
At 30 June 2020	**4,452,480**	**476,937**	**164,177**	**15,238**	**5,108,832**	**52,581**	**11,528**	**64,109**

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

(b) Lease liabilities

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
Recognition of lease liability on initial application of IFRS 16 on 1 July 2019	**4,056,516**	**17,340**
Transfer from borrowings (Note 22)	**284,012**	**11,009**
New leases	**469,890**	**54,532**
Interest expense	**323,595**	**3,625**
Lease payment	**(739,295)**	**(20,222)**
Exchange differences	**257,332**	**-**
At 30 June 2020	**4,652,050**	**66,284**
Current	**474,087**	**18,019**
Non-current	**4,177,963**	**48,265**
	4,652,050	**66,284**

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	**489,568**	**20,401**
Interest expense on lease liabilities	**323,595**	**3,625**
Total amount recognised in profit or loss	**813,163**	**24,026**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	THE GROUP		
	Within five years	More than five years	Total
	Rs'000	Rs'000	Rs'000
Termination options not expected to be exercised	307,412	37,975	345,387

Future minimum rentals receivable under non-cancellable operating.

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

(b) Lease liabilities (Continued)

Finance lease liabilities - minimum lease payments:

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
Within one year	714,724	24,575
After one year but not more than five years	2,833,058	25,789
More than five years	4,627,603	59,418
	8,175,385	109,782
Future finance charges on finance lease	(3,523,335)	(43,498)
Present vaue of finance lease liabilities	4,652,050	66,284

The present value of finance liabilities may be analysed as follows:

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
Within one year	421,113	20,950
After one year but not more than five years	1,658,613	11,290
More than five years	2,572,324	34,044
	4,652,050	66,284

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

	THE GROUP	THE COMPANY
	2020	2020
	Rs'000	Rs'000
Finance lease liabilities	4.0% - 12.5%	4.1% - 9.2%

Group as a lessor

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

Future minimum rentals receivables under non-cancellable operating leases as at 31 December are as follows:

	THE GROUP
	2020
	Rs'000
Within one year	48,424,450
After one year but not more than five years	150,031,196
More than five years	18,103,221
	216,558,867

17. NON-CURRENT RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019 (Restated)
	Rs'000	Rs'000	Rs'000	Rs'000
Amount due from related parties (Note (a)(i))	3,800	137,455	531,010	1,000,030
Prior year adjustments (Note 43)	-	-	-	(368,664)
As restated	3,800	137,455	531,010	631,366
Provision for expected credit losses (Note (a)(ii))	(1,850)	(1,850)	(349,484)	(54,875)
Other amounts receivable (Note (b))	40,562	39,242	-	-
Financial asset	1,500	1,500	1,500	1,500
At 30 June	44,012	176,347	183,026	577,991

(a)(i) Amount due from related parties

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

Amount due from related parties for the Company are unsecured and repayable on demand. Receivable amounting to Rs 127 million (2019: Rs 270 million) are interest-free while remaining balances of Rs 404 million (2019: Rs 796 million) bear interest at rates ranging from 3.1% to 7.75% (2019: 3.1% to 7.75%). In determining the expected credit losses, the Company has assessed the ability of the related parties to pay the debts if demanded at reporting date and where the borrower has access to unrestricted cash to repay the debt, the ECL determined is immaterial. If the borrower cannot repay the debts at reporting date, management has determined a recovery period usually between 3 to 5 years on the basis that the entities will continue operations and generate future cash flows. The expected credit loss will be limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which might be 0% if the loan is interest free) over the period until cash is realised. If the time period to realise cash is short or the effective interest rate is low, the effect of discounting might be immaterial. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, there is no impairment loss to recognise.

As there has not been a significant increase in credit risk for credit exposures since initial recognition, ECLs have been provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

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

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

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
At 1 July	1,507	139,312
Increase/(decrease) in loss allowance recognised in profit or loss during the year	343	(84,437)
At 30 June 2019	1,850	54,875
At 1 July	1,850	54,875
Increase/(decrease) in loss allowance recognised in profit or loss during the year	-	294,609
At 30 June 2020	1,850	349,484

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

(c) Management has assessed ECL on other amount receivable and financial asset and the amount is insignificant (2019: Nil).

18. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables (Note (a))	**3,479,706**	3,963,051	**427,176**	438,608
Trade receivables from related parties	**212,885**	177,635	**220,236**	386,487
Less: Allowance for expected credit losses	**(818,709)**	(569,812)	**(99,810)**	(58,997)
	2,873,882	3,570,874	**547,602**	766,098
Other receivables (Note (b))	**2,179,598**	2,335,728	**136,738**	171,325
Less: Allowance for expected credit losses	**(8,725)**	(5,284)	**-**	(5,284)
Prepayments	**337,100**	488,832	**92,235**	30,793
Transfer to non current receivables	**-**	(137,455)	**-**	(1,043,006)
Amount receivable from related companies	**19,380**	137,520	**270,739**	1,174,609
	5,401,235	6,390,215	**1,047,314**	1,094,535

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

(a) **Trade receivables**

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

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

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

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

Building & Engineering

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

Commercial

The commercial cluster consists mainly of sale of consumer, healthcare and industrial goods and related services. The average credit period on sales of goods and services ranges between 30 to 90 days. Management considers trade receivables to be in default when contractual payments are past due for a period ranging from 90 days to 180 days based on the business environment in which the entities operate taking into consideration the market dynamics, customer base and competition.

Notes to the Financial Statements for the year ended 30 June 2020

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) **Trade receivables (Continued)**

Commercial (Continued)

Some of the entities within the cluster have segmented the trade receivables by geography/customer base (e.g. countries of exportation – Madagascar, Seychelles, HORECA, retail key account, retail modern account, retail traditional account, hotels, Government). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

Logistics

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

Seafood

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

Financial services

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

Property

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

Hospitality & Services

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

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2020 and 30 June 2019:

THE GROUP

	Not past due	<30	31-60	61-90	91-120	121-150	151-180	181-270	271-360	>360	Total
At 30 June 2020											
Expected credit loss rate (%)	**0.02 – 2.1**	**0.04 – 2.63**	**0.05 – 12.91**	**0.4 – 20.25**	**0.28 – 35.2**	**0.45 – 60**	**0.60 – 70.15**	**8.22 – 83.43**	**32.86 – 90.99**	**100**	
Expected total gross carrying amount at default (Rs'000)	**1,058,894**	**670,703**	**289,239**	**301,845**	**564,342**	**213,679**	**36,484**	**235,056**	**55,337**	**267,012**	**3,692,591**
Lifetime ECL (Rs'000)	**(39,252)**	**(29,421)**	**(19,648)**	**(28,899)**	**(84,841)**	**(104,573)**	**(23,840)**	**(173,927)**	**(47,271)**	**(267,037)**	**(818,709)**
At 30 June 2019											
Expected credit loss rate (%)	0.02 – 1.7	0.03 – 2.23	0.08 – 12.51	0.2 – 19.85	0.28 – 33.7	0.4 – 46.53	0.55 – 68.95	7.02 – 96.23	28.66 – 59.89	100	
Expected total gross carrying amount at default	1,121,487	1,311,940	423,913	223,052	828,293	264,549	195,678	81,575	28,920	114,625	4,594,032
Lifetime ECL	(13,913)	(9,589)	(10,993)	(5,594)	(112,875)	(94,879)	(131,925)	(56,532)	(18,884)	(114,628)	(569,812)

THE COMPANY

	Not past due	<30	31-60	61-90	91-120	121-150	151-180	181-270	271-360	>360	Total
At 30 June 2020											
Expected credit loss rate (%)	**0.22 – 1.9**	**0.23 – 2.43**	**0.28 – 12.71**	**0.4 – 20.05**	**0.32 – 35**	**0.6 – 46.73**	**100**	**100**	**100**	**100**	
Expected total gross carrying amount at default (Rs'000)	**209,053**	**288,916**	**23,057**	**32,914**	**10,787**	**23,919**	**31,719**	**3,124**	**5,000**	**18,923**	**647,412**
Lifetime ECL (Rs'000)	**(13,855)**	**(10,941)**	**(2,508)**	**(3,618)**	**(2,197)**	**(7,925)**	**(31,719)**	**(3,124)**	**(5,000)**	**(18,923)**	**(99,810)**
At 30 June 2019											
Expected credit loss rate (%)	**0.02 – 1.7**	**0.03 – 2.23**	**0.08 – 12.51**	**0.2 – 19.85**	**0.28 – 33.7**	**0.4 – 46.53**	**0.55 – 68.95**	**7.02 – 100.00**	**28.66 – 100**	**100**	
Expected total gross carrying amount at default	265,689	373,542	29,304	41,831	13,709	30,399	40,312	3,970	–	24,049	822,805
Lifetime ECL	(4,324)	(1,583)	(1,722)	(2,506)	(2,107)	(2,919)	(15,817)	(3,970)	–	(24,049)	(58,997)

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18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the credit risk exposure of trade receivables based on the Group's and Company's provision matrix at 30 June 2020 and 30 June 2019 per industry groups:

THE GROUP

	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
At 30 June 2020											
Expected total gross carrying amount at default	**690,581**	**2,072,540**	**740,170**	**578,667**	**34,415**	**244,068**	**100,594**	**207,920**	**6,902**	**(983,266)**	**3,692,591**
Lifetime ECL	**(135,071)**	**(377,829)**	**(94,705)**	**(201,265)**	**(361)**	**(25,832)**	**(62,799)**	**–**	**–**	**79,153**	**(818,709)**
At 30 June 2019											
Expected total gross carrying amount at default	808,761	2,071,428	720,930	623,114	75,735	281,517	132,317	242,271	228,572	(1,043,959)	4,140,686
Lifetime ECL	(142,103)	(284,531)	(94,683)	(57,947)	(44)	(18,923)	(10,021)	–	(4,062)	42,502	(569,812)

THE COMPANY

	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
At 30 June 2020											
Expected total gross carrying amount at default	**–**	**496,257**	**145,021**	**–**	**–**	**6,134**	**–**	**–**	**–**	**–**	**647,412**
Lifetime ECL	**–**	**(55,259)**	**(42,221)**	**–**	**–**	**(2,330)**	**–**	**–**	**–**	**–**	**(99,810)**
At 30 June 2019											
Expected total gross carrying amount at default	52,073	525,206	–	–	–	23,610	–	–	221,916	–	822,805
Lifetime ECL	(73)	(52,150)	–	–	–	(2,620)	–	–	(4,154)	–	(58,997)

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

The table below details the expected credit losses based on credit risk concentration by industry group (Covid-19).

	THE GROUP		THE COMPANY	
2020	Gross carrying amount Rs'000	Lifetime ECL Rs'000	Gross carrying amount Rs'000	Lifetime ECL Rs'000
Agriculture and fishing	**244,197**	**(4,139)**	**-**	**-**
Manufacturing	**212,323**	**(15,146)**	**34,324**	**(10,707)**
Tourism	**800,589**	**(212,812)**	**45,010**	**(503)**
Transport	**33,425**	**(8,384)**	**4,897**	**(663)**
Construction	**413,821**	**(90,036)**	**838**	**(1,516)**
Financial and business services	**139,408**	**(4,549)**	**3,495**	**(153)**
Traders	**1,443,552**	**(310,311)**	**295,029**	**(19,970)**
Personal	**35,006**	**(7,808)**	**-**	**-**
Professional	**215,585**	**(64)**	**-**	**-**
Foreign governments	**18,566**	**(446)**	**-**	**-**
GBL Holders	**249,526**	**(48,270)**	**-**	**-**
Others	**869,863**	**(195,898)**	**263,819**	**(66,298)**
Consolidation adjustments	**(983,270)**	**79,154**	**-**	**-**
Total	**3,692,591**	**(818,709)**	**647,412**	**(99,810)**

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

Receivable balance falling under the industry of agriculture, financial services, traders, foreign governmental bodies amongst others are classified as low risk entities and have not overlay applied to the provision matrix. On the other hand, receivable balance falling in the manufacturing and logistics (including the aviation sector) are classified as medium risk and have an overlay of 2% applied to the provision matrix.

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

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. 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 reflection of forward-looking information does not have a significant impact on the loss rates.

Notes to the Financial Statements for the year ended 30 June 2020

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

THE GROUP	Collectively assessed Rs'000	Individually assessed Rs'000	Total Rs'000
At 1 July 2018	161,470	427,327	588,797
(Decrease)/increase in loss allowance	(12,119)	45,745	33,626
Transfer to other receivables	-	(3,293)	(3,293)
Disposal of subsidiaries	-	(4,834)	(4,834)
Amounts written off	(4,131)	(40,793)	(44,924)
Foreign exchange gains and losses	86	354	440
At 30 June 2019	145,306	424,506	569,812
At 1 July 2019	**145,306**	**424,506**	**569,812**
(Decrease)/increase in loss allowance	**349,810**	**(70,787)**	**279,023**
Transfer to assets held for sale (Note (i))	**(9,804)**	**-**	**(9,804)**
Acquisition of subsidiaries	**905**	**-**	**905**
Amounts written off	**(28,505)**	**(11,211)**	**(39,716)**
Amounts recovered during the year	**(5,840)**	**(4,109)**	**(9,949)**
Foreign exchange gains and losses	**5,003**	**23,435**	**28,438**
At 30 June 2020	**456,875**	**361,834**	**818,709**

(i) The amount transferred to assets held for sale relates to Le Recif SAS, entity which has been classified as held for sale during the year.

THE COMPANY	Collectively assessed Rs'000	Individually assesed Rs'000	Total Rs'000
At 1 July 2018	9,161	62,174	71,335
(Decrease)/increase in loss allowance	1,595	(11,750)	(10,155)
Transfer to other receivables	-	(2,183)	(2,183)
At 30 June 2019	10,756	48,241	58,997
At 1 July 2019	**10,756**	**48,241**	**58,997**
(Decrease)/increase in loss allowance	**88,879**	**(48,066)**	**40,813**
At 30 June 2020	**99,635**	**175**	**99,810**

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables

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

	THE GROUP AND THE COMPANY	
	Rs'000	Rs'000
Other receivables		
At 1 July 2018	-	-
(Decrease)/increase in loss allowance	5,284	5,284
At 30 June 2019	5,284	5,284
At 1 July 2019	5,284	5,284
(Decrease)/increase in loss allowance	3,441	(5,284)
At 30 June 2020	**8,725**	**-**

19. DIVIDEND

On 14 November 2019, the Board of Directors declared an interim dividend of Rs 0.22 per share (2019: Rs 0.21 per share) and was paid on 20 December 2019 and on 12 June 2020 a final dividend of Rs 0.39 per share (2019: Rs 0.56 per share) was declared and payable at 1 July 2020. The total dividend declared amounted to Rs 414.9 million (2019: Rs 523.8 million). During the year, subsidiaries declared a dividend amount of Rs 328.1 million (2019: Rs 581.3 million) to their non-controlling interests. The Group and the Company have dividend payable at Rs 353.8 million (2019: Rs 74 million) and Rs 265.2 million (2019: nil) at year end.

20. (a) STATED CAPITAL

THE GROUP AND THE COMPANY

	2020	2019
	Rs'000	Rs'000
Issued and fully paid		
At 30 June 2020: 680,224,040 ordinary shares of no par value (2019: 680,224,040 ordinary shares of no par value)	**1,361,941**	1,361,941

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

(b) RESTRICTED REDEEMABLE SHARES

1,510,666,650 Restricted Redeemable Shares (RRS) of no par value amounting to Rs 5 million were in issue at 30 June 2020 (2019: same).

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

21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

(a) Le Recif SAS

Le Recif SAS was classified as assets held for sale as at June 2020. On 1 August 2020, the Group has finalised the sale of Hotel Le Recif, in Reunion Island, for a total proceeds of EUR 9 million payable as follows:

- EUR 7 million payable on date of signature
- EUR 1 million payable 3 years after date of signature
- EUR 1 million contingent upon Hotel Le Recif achieving a target EBITDA

The amount of EUR 7 million as per the deed of sale has already been paid. There is no impairment of the assets of Hotel Le Recif as the disposal proceeds exceeds the fair value of the net assets.

(b) Circle Square Holding Co Ltd ("CSHL")

On 30 March 2018, the Board of Directors of CSHL approved a share purchase agreement with a potential buyer for the disposal of its 100% stake in CSHL for a total consideration of Rs 366 million (i.e. gross consideration of Rs 655 million net of the secured debt). CSHL owns bare land at Forbach and the Circle Square Retail Park. As at reporting date, the assets and liabilities of CSHL for the Group has been classified as held for sale and the investment in subsidiary for the Company has been classified as held for sale. The operations of CSHL has been disclosed as discontinued operations in the statements of profit and loss of the Group for the years ended 30 June 2019 and 30 June 2018. The Group is still committed to sell its stake in CSHL as at 30 June 2020 as the delay is being caused by circumstances beyond the Group's control.

(c) Manser Saxon Dubai LLC has been classified as discontinued operations during the year ended 30 June 2020.

The assets and liabilities classified as held for sale in related to the Group are as follows;

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Assets		
Property, plant and equipment (Note 4)	**318,395**	125,963
Investment property (Note 5(f))	**384,294**	563,909
Intangible assets (Note 6)	**38,851**	2,588
Deferred tax assets (Note 7)	**25,294**	-
Trade and other receivables	**47,634**	3,938
Cash and cash equivalents	**104,666**	2,986
Inventories	**2,384**	-
Assets classified as held for sale	**921,518**	699,384
Liabilities		
Borrowings (Notes (a) and 22)	**308,538**	288,854
Employee benefit liabilities	**4,200**	-
Deferred tax liabilities	**15,067**	13,213
Trade and other payables	**114,051**	123,781
Liabilities associated with assets classified as held for sale	**441,856**	425,848

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

Assets held for sale for the year ended 30 June 2020 (Continued)

The results for the year ended 30 June 2020 for the assets classified as held for sale are disclosed below. The comparative figures have been reclassified in accordance with IFRS 5.

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Revenue (Note 29)	**189,580**	336,933
Cost of sales	**(150,369)**	(162,096)
Gross profit	**39,211**	174,837
Other income (Note 30)	**5,806**	6,085
Administrative expenses	**(53,651)**	(221,334)
Operating loss	**(8,634)**	(40,412)
Interest income using EIR method (Note 31)	**-**	4
Finance costs (Note 32)	**(14,224)**	(40,442)
Other gains and losses (Note 33)	**2,588**	-
Share of results of joint ventures (Note 13)	**-**	49,875
Loss before tax	**(20,270)**	(30,975)
Tax expense (Note 26(b))	**(1,854)**	(1,086)
Loss for the year from discontinued operations	**(22,124)**	(32,061)

(a) Borrowings balance held for sale includes loan balance from CSHL classified as held for sale since 30 June 2019 and Le Recif SAS (entity classified as held for sale in the reporting year ended 30 June 2020).

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

Notes to the Financial Statements for the year ended 30 June 2020

22. BORROWINGS

(a) The borrowings are repayable as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year				
Secured bank overdrafts	**1,157,467**	1,356,001	**-**	88,445
Unsecured bank overdrafts	**2,595,435**	3,937,252	**2,553,259**	3,897,516
Secured bank loans	**3,660,315**	2,043,240	**53,702**	109,133
Unsecured borrowings	**243,287**	237,457	**-**	-
Bonds secured by floating charges	**335,191**	1,050,906	**314,338**	1,045,180
Obligations under finance leases (Note (b))	**-**	77,323	**-**	3,526
Borrowings - Current	**7,991,695**	8,702,179	**2,921,299**	5,143,800
After one year and before two years				
Secured bank loans	**1,001,124**	1,141,194	**-**	50,337
Unsecured borrowings	**-**	27,212	**-**	-
Bonds secured by floating charges	**-**	284,000	**-**	284,000
Obligations under finance leases (Note (b))	**-**	97,284	**-**	3,401
	1,001,124	1,549,690	**-**	337,738
After two years and before five years				
Secured bank loans	**3,694,650**	3,300,840	**1,000,000**	1,000,000
Unsecured borrowings	**-**	10,417	**-**	-
Deposits from customers	**-**	-	**-**	-
Bonds secured by floating charges	**4,000,000**	1,000,000	**4,000,000**	1,000,000
Obligations under finance leases (Note (b))	**-**	93,378	**-**	4,082
	7,694,650	4,404,635	**5,000,000**	2,004,082
After five years				
Secured bank loans	**1,029,327**	2,279,561	**-**	-
Unsecured borrowings	**1,041**	-	**-**	-
Bonds secured by floating charges	**3,961,000**	2,760,000	**2,000,000**	1,000,000
Obligations under finance leases (Note (b))	**-**	16,026	**-**	-
	4,991,368	5,055,587	**2,000,000**	1,000,000
Borrowings - Non-current	**13,687,142**	11,009,912	**7,000,000**	3,341,820
Total borrowings	**21,678,837**	19,712,091	**9,921,299**	8,485,620

22. BORROWINGS (CONTINUED)

(b) Obligations under finance leases

	THE GROUP	THE COMPANY
	2019	2019
	Rs'000	Rs'000
Finance lease liabilities - minimum lease payments		
- Not later than 1 year	93,374	4,313
- Later than 1 year and not later than 5 years	207,719	8,287
- After five years	18,969	-
	320,062	12,600
Less: Future finance charges	(36,051)	(1,591)
Present value of minumum lease payment	284,011	11,009
Representing lease liabilities		
- Not later than 1 year	77,323	3,526
- Later than 1 year and not later than 2 years	97,284	3,401
- Later than 2 year and not later than 5 years	93,378	4,082
- After five years	16,026	-
	284,011	11,009

The obligations under finance leases have been transferred to lease liabilities under IFRS 16 at 1 July 2019 and are disclosed in Note 16 for the year ended 30 June 2020.

During the year, the financial performance of one of the subsidiaries has been impacted significantly by the Covid-19 pandemic and therefore, it was not able to satisfy its financial covenants (gearing ratio and interest cover) on its secured bank loans. This represented a breach of contract as per the loan agreements and the bank had the right to claim back the whole amount due with respect of these loans. As a consequence of a breach of these loans, the Group reclassified Rs 1.24 billion of capital portion of loan payable after more than one year to current liabilities. The subsidiary has successfully renegotiated the repayment terms with the banks and subsequent to the year end, it obtained confirmation from its bankers about rescheduling of repayment of loans up to 30 June 2021 for majority of its loans (refer to Note 45 (a) for more details).

(c) Bank overdraft

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

Bonds

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

Multicurrency notes

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

In September 2017, the Company issued the first Series of notes, in 5 tranches for an aggregate nominal amount of Rs 3 billion (in Mauritian Rupees) which are secured by floating charges on the assets of the Company. Tenor period ranges from 2 to 7 years and interest is payable semi-annually at both fixed and floating rates.

22. BORROWINGS (CONTINUED)

(c) Bank overdraft (Continued)

Multicurrency notes (Continued)

The Notes issued under Tranches 2 to 5 aggregating to Rs 2 billion are listed on the Stock Exchange of Mauritius and the fair value of these notes at 30 June 2020 amounted to Rs 2.012 billion (2019: Rs 2.045 billion). The Notes issued under Tranches 1 to 5 are accounted at amortised costs. The Series 1/Tranche 1 for an amount of MUR 1 billion over a 2 years tenor were repaid 13 September 2019.

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

Debentures

The unsecured debentures bearing interest at repo rate +1.20% had been repaid in the year ended 30 June 2019.

Borrowings

The unsecured borrowings bear interest as disclosed in note (d):

(d) The interest rate on borrowings are as follows :

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Secured borrowings	**0.15% - 9.25%**	0.15% - 9.25%	**3.85% - 4.50%**	3.54% - 6.48%
	PLR + (0% - 5.75%)	PLR + (0% - 5.75%)	**-**	-
	LIBOR + (1.25% - 5.00%)	LIBOR + (1.25% - 5.00%)	**-**	-
	EURIBOR + (3.00% - 4.50%)	EURIBOR + (3.00% - 4.50%)	**-**	-
	EURIBOR - 3.75%	EURIBOR - 3.75%	**-**	-
	Repo +1.75%	Repo +1.75%	**-**	-
	SBM PLR - 0.85%	SBM PLR - 0.85%	**-**	-
Unsecured borrowings	**1.00% - 11.25%**	1.00% - 11.25%	**1.00% - 4.75%**	1.50% - 6.50%
	LIBOR + (1.00% - 2.75%)	LIBOR + (1.00% - 3.00%)	**LIBOR + (1% - 2.75%)**	LIBOR + (1% - 3%)
	EURIBOR + (1.00% - 2.75%)	EURIBOR + (1.00% - 3.00%)	**EURIBOR +(1% - 2.75%)**	EURIBOR + (1% - 3%)
	PLR - 0.25%	PLR + 0.25%	**-**	-
Bonds and Notes	**4.50% -6.48%**	3.45% -6.48%	**4.50% - 6.48%**	3.45% - 6.48%
	Repo + (0.75%-1.65%)	Repo + (0.75%-1.65%)	**Repo + (0.75% - 1.65%)**	Repo + (0.75% - 1.65%)
Obligations under finance leases*	-	2.75% - 9.75%	**-**	7.50% - 9.00%

*Transferred to Note 16 for the year ended 30 June 2020

Notes to the Financial Statements for the year ended 30 June 2020

22. BORROWINGS (CONTINUED)

(e) Reconciliation of liabilities arising from financing activities

The table details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in cash flows from financing activities in the statement of cash flows. In accordance with the transitional guidance, no comparatives have been presented.

THE GROUP	At 1 July	Transferred to lease liabilities IFRS 16	Financing cash flows	Non-cash changes: Disposal of subsidiaries	Cash flow hedge	IFRS 16	Exchange differences	Held for sale	Other*	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
		(Note 16)		(Note 38(b))				(Notes (ii) and 21)		
2020										
Bank loans	**8,764,835**	**–**	**413,025**	–	**12,781**	**–**	**307,979**	**(113,209)**	**–**	**9,385,411**
Other borrowings	**275,086**	**–**	**(31,242)**	–	**–**	**–**	**485**	**–**	**–**	**244,329**
Bonds and debentures	**5,094,906**	**–**	**3,199,826**	–	**–**	**–**	**1,464**	**–**	**–**	**8,296,196**
Dividend payable	**74,088**	**–**	**(463,312)**	–	**–**	**–**	**–**	**–**	**743,061**	**353,837**
Lease liabilities	**–**	**284,012**	**(415,700)**	–	**–**	**4,526,406**	**257,332**	**–**	**–**	**4,652,050**
Finance lease	**284,012**	**(284,012)**	**–**	–	**–**	**–**	**–**	**–**	**–**	**–**
	14,492,927	**–**	**2,702,597**	–	**12,781**	**4,526,406**	**567,260**	**(113,209)**	**743,061**	**22,931,823**
2019										
Bank loans	8,708,475	–	9,298	(6,784)	(121)	–	30,861	–	23,106	8,764,835
Other borrowings	220,188	–	53,856	–	–	–	1,042	–	–	275,086
Bonds and debentures	5,647,428	–	(603,422)	–	–	–	–	–	50,900	5,094,906
Finance lease	226,941	–	(107,497)	–	–	164,688	(120)	–	–	284,012
	14,803,032	–	(647,765)	(6,784)	(121)	164,688	31,783	–	74,006	14,418,839

THE COMPANY	At 1 July	Transferred to lease liabilities IFRS 16	Financing cash flows	Non-cash changes: Disposal of subsidiaries	Cash flow hedge	IFRS 16	Exchange differences	Held for sale	Other*	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
		(Note 16)		(Note 38(b))				(Notes (ii) and 21)		
2020										
Bank loans	**1,159,470**	**–**	**(105,775)**	**–**	**–**	**–**	**–**	**–**	**–**	**1,053,695**
Other borrowings	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Bonds	**3,329,180**	**–**	**2,985,157**	**–**	**–**	**–**	**–**	**–**	**–**	**6,314,337**
Dividend payable	**–**	**–**	**(149,650)**	**–**	**–**	**–**	**–**	**–**	**414,937**	**265,287**
Lease liabilities	**–**	**11,009**	**(16,597)**	**–**	**–**	**71,880**	**–**	**–**	**–**	**66,292**
Finance lease	**11,009**	**(11,009)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	4,499,659	**–**	**2,713,135**	**–**	**–**	**71,880**	**–**	**–**	**414,937**	**7,699,611**
2019										
Bank loans	1,762,612	–	(604,499)	–	–	–	–	–	1,357	1,159,470
Other borrowings	667,124	–	(667,124)	–	–	–	–	–	–	–
Bonds	3,531,293	–	(247,287)	–	–	–	–	–	45,174	3,329,180
Finance lease	15,196	–	(4,187)	–	–	–	–	–	–	11,009
	5,976,225	–	(1,523,097)	–	–	–	–	–	46,531	4,499,659

(i) Cash flow hedge reserve is used to record the exchange differences arising on the EUR, GBP and USD loans taken by the Group. The hedging of those loans are done with the inflows of revenue by the Group in the same currency. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EUR at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss. The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

(ii) The Circle Square Holding Co Ltd (CSHL) was classified as held for sale in reporting year 30 June 2018 and continued to be classified so as at 30 June 2019 and 30 June 2020. During the reporting year 30 June 2020, Le Recif SAS was classified as held for sale and had a bank loan balance of Rs 113 million.

*Other includes dividend during the year.

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Long term incentive scheme	**126,633**	100,170	**78,562**	62,992

IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value within the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at the end of the third year from the allocation date up to the fifth year.

24. EMPLOYEE BENEFIT AND RELATED (ASSETS)/LIABILITIES

THE GROUP

The Group's pension fund comprise both final salary defined benefit plans and defined contribution plans. The pension fund, namely IBL Pension Fund, is operational since 1 July 2002 for the majority of the employees of the Group. Pension Consultants and Administrators Ltd is responsible for the management of this fund. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement.

The Company operates a group defined benefit plan as the legal sponsoring employer, which covers some current and former employees of the Company and its related parties. The plan is wholly funded and the risks are shared amongst all participants. The benefits to employees and pensioners are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

As at 30 June 2019, there was no contractual agreement or stated policy between the Company and its related parties for recharging the defined benefit costs and liabilities to them. Effective 1 July 2019, the Company has entered into an agreement to recharge pension costs and liabilities relating to current and former employees of the related parties to the latter. The Company has reflected this recharge in its results for the year and amounts recoverable from related parties in Note (v).

The Group also has defined contribution plans for the Company and its subsidiaries. Furthermore, for one of the subsidiaries, some employees receive a guaranteed amount equal to a defined benefit scheme based on salary at retirement. The scheme is funded by the employer, through contributions to a fund administered separately.

The unfunded portion of the obligation concern employees who are entitled to employee benefits payable under the "Worker's Rights Act 2019". This provides for a lump sum at retirement based on final salary and years of service.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2020 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk – The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk – If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Notes to the Financial Statements for the year ended 30 June 2020

24. EMPLOYEE BENEFIT AND RELATED (ASSETS)/LIABILITIES (CONTINUED)

THE GROUP (CONTINUED)

Investment risk – The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk – If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefit assets – under defined benefit plan (Note (i))	**-**	(4,894)	**-**	-
Employee benefit and related assets (Note (iii))	**(11,324)**	-	**(437,712)**	-
	(11,324)	(4,894)	**(437,712)**	-
Employee benefit under defined benefit plan (Note (i))	**2,219,591**	1,166,249	**1,099,575**	682,355
Employee benefit under The Worker's Rights Act 2019 (Note (ii))	**992,188**	902,839	**103,085**	110,651
	3,211,779	2,069,088	**1,202,660**	793,006

(i) **Defined benefit plan**

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefit assets	**-**	(4,894)	**-**	-
Employee benefit liabilities	**2,219,591**	1,166,249	**1,099,575**	682,355
	2,219,591	1,161,355	**1,099,575**	682,355
Qualifying Insurance Policy	**-**	(900)	**-**	-
Present value of funded obligation	**4,189,764**	2,906,770	**2,110,177**	1,607,116
Present value of unfunded obligation	**-**	106,709	**-**	18,085
Fair value of plan assets	**(1,970,173)**	(1,851,224)	**(1,010,602)**	(942,846)
Liability recognised in the statements of financial position	**2,219,591**	1,161,355	**1,099,575**	682,355

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) Defined benefit plan (Continued)

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,161,356**	1,072,969	**682,355**	736,680
Acquisition of subsidiaries (Note 38(a))	**-**	310	**-**	-
Amount recognised in profit or loss	**116,970**	108,452	**61,309**	63,860
Amount recognised in other comprehensive income	**1,141,124**	286,746	**510,784**	86,340
Transfer of liabilities from Annuity Fund	**-**	430,558	**-**	68,662
Transfer of assets from Annuity Fund	**-**	(429,169)	**-**	(66,765)
Transfer from Defined Contribution Reserve Account	**-**	(7,370)	**-**	-
Contributions and direct benefit paid	**(199,859)**	(301,141)	**(154,873)**	(206,422)
At 30 June	**2,219,591**	1,161,355	**1,099,575**	682,355

One of the plans, IBL Pension Fund ("IBLPF"), contained an Annuity Fund since its inception from which all pensioners were paid. All sponsoring employers accepted, at that time, the pooling of risk and inherent cross subsidies associated with this common Annuity Fund. The governing body of IBLPF, in agreement with the sponsoring employees, decided to allocate the assets and liabilities of the Annuity Fund to each respective employer effective 1 July 2018. Until that date, the Group had accounted for the Annuity Fund as if it were a defined contribution plan. The allocation of assets and liabilities from the Annuity Fund have been recognised during the current year with the excess of liabilities over assets recognised in profit or loss for the year.

Amounts recognised in:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
- Statements of profit or loss:				
Current service cost	**57,768**	57,440	**27,072**	27,030
Net interest cost	**59,202**	51,012	**34,237**	36,830
Components of amount recognised in profit or loss	**116,970**	108,452	**61,309**	63,860
- Statements of other comprehensive income:				
Return on plan assets (excluding amounts included in net interest expense)	**42,399**	62,148	**43,211**	24,982
Actuarial loss/(gain) arising from changes in financial assumptions	**916,496**	87,811	**508,555**	(69,968)
Actuarial loss/(gain) arising from experience adjustments	**182,229**	136,787	**(40,982)**	131,326
Components of amount recognised in other comprehensive income	**1,141,124**	286,745	**510,784**	86,340
Total	**1,258,094**	395,198	**572,093**	150,200
Actual return on plan assets	**144,129**	32,065	**11,365**	17,513

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) Defined benefit plan (Continued)

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**3,013,479**	2,350,650	**1,625,201**	1,491,158
Acquisition of subsidiaries (Note 38(a))	**-**	310	**-**	-
Current service cost	**51,039**	53,171	**21,173**	22,328
Interest cost	**165,159**	142,572	**88,812**	79,325
Benefits paid	**(138,638)**	(188,382)	**(92,582)**	(97,630)
Actuarial loss/(gain) arising from experience adjustments	**182,229**	136,787	**(40,982)**	131,326
Actuarial loss/(gain) arising from changes in financial assumptions	**916,496**	87,813	**508,555**	(69,968)
Transfer of liabilities from Annuity Fund	**-**	430,558	**-**	68,662
Employee's contribution	**-**	-	**-**	-
At 30 June	**4,189,764**	3,013,479	**2,110,177**	1,625,201

Movements in the present value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,852,124**	1,277,681	**942,846**	754,478
Interest income	**105,957**	91,560	**54,575**	42,495
Current service cost	**-**	-	**-**	-
Transfer of assets from Annuity Fund	**-**	429,169	**-**	66,765
Return on plan assets excluding interest income	**38,172**	(62,148)	**(43,210)**	(24,982)
Employer contributions	**119,287**	301,143	**154,872**	206,422
Scheme expenses	**(2,182)**	(1,603)	**(2,359)**	(1,090)
Cost of insuring risk benefits	**(4,547)**	(2,666)	**(3,540)**	(3,612)
Transfer from defined contribution reserve account	**-**	7,370	**-**	-
Benefits paid	**(138,638)**	(188,382)	**(92,582)**	(97,630)
At 30 June	**1,970,173**	1,852,124	**1,010,602**	942,846

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**279,765**	144,466	**143,505**	73,542
Equity investments categorised by industry type:				
- Local	**500,424**	635,279	**256,693**	323,396
- Foreign	**490,573**	455,622	**251,640**	231,940
Fixed interest instruments	**683,650**	601,940	**350,679**	306,425
Properties	**15,761**	14,817	**8,085**	7,543
Total market value of assets	**1,970,173**	1,852,124	**1,010,602**	942,846

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) Defined benefit plan (Continued)

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Discount rate	**2.8% - 4.1%**	4.7% - 6.8%	**3%**	6%
Future long term salary increase	**1.0% - 4.0%**	3.5% - 4.0%	**1%**	4%
Future pension increase	**0%**	1%	**0%**	1%
Average retirement age (ARA)	**60 - 65 years**	60 - 65 years	**60 years**	60 years

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**242,231**	308,487	**238,852**	273,000
Decrease in defined benefit obligation due to 1% increase in discount rate	**193,517**	172,361	**196,897**	158,136
Increase in defined benefit obligation due to 1% increase in salary	**40,246**	62,322	**38,431**	56,390
Decrease in defined benefit obligation due to 1% decrease in salary	**33,418**	94,829	**35,232**	63,077

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Company expects to make a contribution of Rs 127.5 million to the defined benefit plan during the year ending 30 June 2021 (2020 : Rs 127.5 million).

The average duration of the defined benefit obligation at 30 June 2020 was between 7 and 23 years.

Notes to the Financial Statements for the year ended 30 June 2020

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(ii) Employee benefit under The Worker's Rights Act 2019

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**992,188**	902,839	**103,085**	110,651

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**902,839**	761,877	**110,651**	115,207
Disposal of subsidiaries (Notes 38(b))	**-**	(488)	**-**	-
Transfer to subsidiaries	**-**	-	**(146)**	(1,592)
Amount recognised in profit or loss	**112,530**	120,139	**13,170**	27,720
Amount recognised in other comprehensive income	**37,227**	53,015	**(16,968)**	(22,680)
Exchange difference	**-**	(155)	**-**	-
Employee benefit paid	**(60,408)**	(31,549)	**(3,622)**	(8,004)
At 30 June	**992,188**	902,839	**103,085**	110,651

Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**62,628**	63,187	**6,778**	7,275
Past service cost	**1,318**	20,340	**-**	14,086
Net interest cost	**48,584**	36,612	**6,392**	6,359
Components of amount recognised in profit or loss	**112,530**	120,139	**13,170**	27,720
Remeasurement of the net defined benefit liability:				
Actuarial gain arising from experience adjustments	**(56,836)**	(13,409)	**(20,839)**	(19,755)
Actuarial loss/(gain) arising from changes in financial assumptions	**94,063**	66,424	**3,871**	(2,925)
Components of amount recognised in other comprehensive income	**37,227**	53,015	**(16,968)**	(22,680)
At 30 June	**149,757**	173,154	**(3,798)**	5,040

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(ii) Employee benefit under The Worker's Rights Act 2019 (Continued)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**902,839**	761,833	**110,651**	115,207
Transfer to subsidiaries	**-**	-	**(146)**	(1,592)
Current service cost	**62,628**	63,187	**6,778**	7,275
Interest cost	**48,584**	36,612	**6,392**	6,359
Past service cost	**1,318**	20,340	**-**	14,086
Actuarial gain arising from experience adjustments	**(56,836)**	(13,409)	**(20,839)**	(19,755)
Actuarial loss/(gain) arising from changes in financial assumptions	**94,063**	66,424	**3,871**	(2,925)
Retirement paid	**(60,408)**	(31,549)	**(3,622)**	(8,004)
Disposal of subsidiary (Note 38(b))	**-**	(488)	**-**	-
Exchange difference	**-**	(111)	**-**	-
At 30 June	**992,188**	902,839	**103,085**	110,651

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Discount rate	**2.1% - 3.7%**	4.5% - 7.0%	**2.9%**	6.0%
Future long term salary increase	**1%**	3.0% - 4.0%	**1.0%**	4.0%

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**118,656**	95,687	**14,782**	15,670
Decrease in defined benefit obligation due to 1% increase in discount rate	**108,831**	97,087	**12,530**	13,238
Increase in defined benefit obligation due to 1% increase in salary	**120,991**	116,956	**14,358**	15,222
Decrease in defined benefit obligation due to 1% decrease in salary	**108,223**	85,310	**12,316**	13,020

Notes to the Financial Statements for the year ended 30 June 2020

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(iii) Defined contribution plans

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contributions for the defined contribution plans	**276,765**	142,240	**24,100**	16,411

(iv) State pension plan

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
National Pension Scheme contribution expensed	**140,961**	254,713	**8,410**	9,244

(v) Amount recoverable from related parties

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amount recoverable from related parties	**11,324**	-	**437,712**	-
Analysed as follows:				
Recharged through profit and loss:				
Defined benefits liabilities on 1 July 2019	**6,427**	-	**248,251**	-
Service and interest costs for the year	**373**	-	**13,922**	-
Recharged through other comprehensive income:				
Actuarial loss from changes in financial assumptions	**4,524**	-	**175,539**	-
	11,324	-	**437,712**	-

The amount recoverable from related parties represents the following deficit in the defined benefit pension plan operated by the Company.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of defined benefit obligations being recharged				
Present value of defined benefit obligation at 1 July	**14,772**	-	**579,954**	-
Current service cost	**419**	-	**11,422**	-
Interest cost	**797**	-	**30,163**	-
Actuarial losses	**3,507**	-	**144,654**	-
Benefits paid	**-**	-	**(7,087)**	-
Present value of defined benefit obligations recharged at 30 June	**19,495**	-	**759,106**	-

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(v) Amount recoverable from related parties (continued)

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Plan assets funding defined benefit pension plan				
Fair value of plan assets at 1 July	**(8,345)**	–	**(331,703)**	–
Interest income	**(498)**	–	**(19,027)**	–
Employer's contribution	**(455)**	–	**(11,199)**	–
Scheme expenses	**53**	–	**1,468**	–
Cost of insuring risk benefits	**58**	–	**1,623**	–
Employees' contribution	**-**	–	**-**	–
Actuarial losses	**1,016**	–	**30,885**	–
Benefits paid	**-**	–	**6,559**	–
Fair value of plan assets funded at 30 June	**(8,171)**	–	**(321,394)**	–
Deficit (amount recoverable from retaled parties)	**11,324**	–	**437,712**	–

The Group has established agreements with the subsidiaries for the recharge of the liability.

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables (Note (a))	**2,144,803**	3,036,443	**481,236**	331,064
Other payables (Note (b))	**3,447,133**	2,918,113	**468,773**	427,569
Amounts payable to related companies (Note (a))	**37,597**	71,833	**432,785**	130,386
Accruals (Note (b))	**1,445,411**	521,390	**78,184**	24,890
	7,074,944	6,547,779	**1,460,978**	913,909

(a) The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. As at 30 June 2020, the estimated liability for unredeemed points with respect to the WIIV rewards programme developed by the Group as explained in Note 3 to the financial statements was Rs 19,116,848 (2019: Rs 19,186,600).

(b) Other payables and accruals comprise provisions for payroll related costs, amounts payable to contractors, deposits from tenants, audit and taxation fees, director fees, professional fees, project cost fees, dividend payable and other accruals made in the normal course of business.

Notes to the Financial Statements for the year ended 30 June 2020

26. TAXATION

Income tax is calculated at the rate of 15% (2019: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**73,668**	14,882	**(4,694)**	(3,266)
Acquisition of subsidiaries (Note 38(a))	**-**	1	**-**	–
Disposal of subsidiaries (Note 38(b))	**-**	(619)	**-**	–
Over/(under) provision in income tax in previous years	**42,613**	(12,626)	**74**	(4,950)
Provision for the year	**274,345**	345,557	**-**	174
Tax paid	**(418,253)**	(284,196)	**(27)**	–
Tax refunded	**21,480**	43,969	**-**	6,961
Provision for contribution CSR	**39,640**	31,412	**33**	391
CSR paid during the year	**(25,234)**	(13,162)	**(23)**	(262)
Tax deducted at source	**(39,786)**	(48,895)	**(328)**	(3,742)
Exchange difference	**(2,915)**	427	**-**	–
Other movements	**(4,190)**	(3,082)	**-**	–
At 30 June	**(38,632)**	73,668	**(4,965)**	(4,694)
Tax assets	**(72,265)**	(72,404)	**(4,965)**	(4,694)
Tax liabilities	**33,633**	146,072	**-**	–
	(38,632)	73,668	**(4,965)**	(4,694)

(b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Provision for the year - continuing operations	**274,345**	345,557	**-**	174
Under provision in income tax in previous years	**42,613**	(12,158)	**75**	(4,954)
Deferred tax movement (Note 7)	**(218,184)**	64,024	**25,130**	24,553
Contribution CSR	**39,640**	31,411	**33**	391
Tax expense for the year	**138,414**	428,834	**25,238**	20,164
Attributable to:				
- Continuing operations	**136,560**	427,748	**25,238**	20,164
- Discontinued operations (Note 21)	**1,854**	1,086	**-**	–
	138,414	428,834	**25,238**	20,164

26. TAXATION (CONTINUED)

(c) **The total charge for the year can be reconciled to the accounting profit as follows:**

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
(Loss)/profit before tax from continuing operations	**(1,267,468)**	1,761,652	**(84,058)**	480,727
Loss before tax from discontinued operations (Note 21)	**(20,270)**	(30,975)	**-**	-
	(1,287,738)	1,730,677	**(84,058)**	480,727
Tax calculated at a rate of 17% (2019: 17%)	**(213,616)**	303,936	**(14,290)**	81,724
Adjustments for:				
Non-deductible expenses	**247,006**	161,768	**84,325**	100,107
Exempt income	**(31,996)**	(102,608)	**(31,859)**	(175,056)
Tax losses utilised	**(1,289)**	(20,403)	**(19,151)**	-
Tax rate differential	**(29,236)**	(36,877)		-
(Under)/over provision of deferred tax in previous years	**(57,337)**	20,117	**3,097**	7,224
Over/(under) provision in income tax in previous years	**40,759**	(12,159)	**74**	(4,954)
Share of results of associates and joint ventures	**(96,652)**	(82,601)	**-**	-
Depreciation of assets not qualifying for capital allowances	**2,192**	6,563	**1,015**	5,823
Deferred tax not recognised	**172,777**	69,150	**-**	-
CSR adjustment	**15,617**	7,551	**33**	7,412
Others	**90,189**	114,397	**1,994**	(2,114)
Tax expense	**138,414**	428,834	**25,238**	20,164

Others comprise of adjustments with respect to elimination of unrealised profits on property, plant & equipment and inventories, and equity accounting of investment in associates and joint ventures.

27. GOVERNMENT GRANTS

THE GROUP	**2020**	2019
	Rs'000	Rs'000
At 1 July	**50,514**	60,757
Additions	**1,697**	-
Release against depreciation charge	**(5,946)**	(10,243)
Exchange differences	**527**	-
At 30 June	**46,792**	50,514
Non-current	**33,923**	40,477
Current	**12,869**	10,037
	46,792	50,514

Lux* Island Resorts

The grants are in respect of Government assistance to finance construction of hotel and acquisition of plant and equipment in Reunion Island and have been accounted under the income approach. The grants are being released to profit or loss against depreciation charge over the useful life of the asset.

Notes to the Financial Statements for the year ended 30 June 2020

27. GOVERNMENT GRANTS (CONTINUED)

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

28. PROFIT FOR THE YEAR

(a) **Profit for the year is arrived at after charging/(crediting):**

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Continuing operations				
Depreciation on property, plant and equipment (Note 4)	**1,621,744**	1,682,168	**60,220**	93,547
Depreciation on right-of-use assets (Note 16)	**489,568**	-	**20,401**	-
Amortisation of intangible assets (Note 6)	**116,892**	82,094	**15,874**	13,956
Cost of inventories recognised as expense	**18,395,265**	22,803,828	**3,435,925**	3,246,883
Staff costs (Note (i))	**4,692,361**	5,001,728	**907,682**	727,365
Loss on exchange	**8,476**	10,900	**22**	2,537
Assets written off (Note 4)	**155,902**	403,922	**-**	3,577
Interest expense on lease liabilities	**323,595**	-	**3,625**	-
Net gain on disposal of associates	**-**	22,238	**-**	30,172
Cancellable operating lease	**-**	241,943	**-**	-
Discontinued operations				
Depreciation on property, plant and equipment	**-**	20,079	**-**	-
Amortisation of intangible assets	**-**	85	**-**	-
Cost of inventories recognised as expense	**-**	1,445	**-**	-
Staff costs (Note (i))	**-**	3,372	**-**	-

(i) Included in staff costs are (i) pension contribution for the Group and the Company amounting to Rs 277 million (2019: Rs 142 million) and Rs 24 million (2019: Rs 16 million) respectively and (ii) state pension contribution for the Group and the Company amounting to Rs 140 million (2019: Rs 254 million) and Rs 8 million (2019: Rs 9 million) respectively.

(b) **Expected credit losses – (Provision)/Reversal**

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Allowance for credit losses on trade receivables (Note 18)*	**(248,897)**	18,985	**(40,813)**	12,338
Allowance for credit losses on non-current receivables (Note 17)	**-**	(13,430)	**(294,608)**	(30,359)
	(248,897)	5,555	**(335,421)**	(18,021)

* Included in this is the prior year adjustment for expected credit losses on trade receivables (Note 43).

29. REVENUE

The Group and the Company derive their revenue from contracts with customers for the transfer of goods and services over time in the following major product and service lines under the new revenue recognition policy. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (See Note 39).

		THE GROUP		THE COMPANY	
	Timing of revenue recognition	2020 Rs'000	2019 Rs'000	2020 Rs'000	2019 Rs'000
(a) Revenue from contracts with customers					
Disaggregation of revenue					
Construction and sale of properties	Over time	**660,452**	607,328	**-**	-
Construction contracts - construction, engineering and interior design	Over time	**1,543,476**	2,328,643	**-**	-
Customer loyalty programmes	Over time	**14,491**	-	**17,631**	-
Freight forwarding and custom clearing services	At a point in time	**306,541**	511,609	**-**	-
Hotel operations, management and leisure	Over time	**4,812,889**	6,264,577	**-**	-
Maintenance, repairs and after sale services	Over time	**123,236**	175,640	**-**	-
Management services - local and global businesses	Over time	**568,201**	545,887	**114,379**	119,934
Manufacturing, storage and sale of seafood and associated products	At a point in time	**1,175,216**	1,055,542	**-**	-
Medical research	Over time	**192,794**	206,286	**-**	-
Processing and sale of beverages	At a point in time	**7,141,857**	7,344,666	**-**	-
Construction and repairs of ships	Over time	**814,178**	1,059,665	**-**	-
Sales of equipment - heavy machineries, generators and irrigation	At a point in time	**627,033**	655,425	**-**	-
Sales of goods - tools, spare parts and electrical goods	At a point in time	**515,788**	540,402	**-**	-
Sales of goods - consumer, retail, wholesale and other products	At a point in time	**16,381,047**	15,991,090	**4,240,820**	4,049,012
Shipping and aviation services	Over time	**243,284**	343,035	**3,849**	58,227
Transport services - cargo and passengers	Over time	**368,390**	489,158	**-**	-
Travel-related services - corporate and leisure	At a point in time	**6,561**	10,991	**-**	-
Others	At a point in time	**1,920**	6,295	**-**	-
		35,497,354	38,136,239	**4,376,679**	4,227,173
Attributable to :					
- Continuing operations		**35,307,774**	37,799,306	**4,376,679**	4,227,173
- Discontinued operations (Note 21)		**189,580**	336,933	**-**	-
		35,497,354	38,136,239	**4,376,679**	4,227,173

29. REVENUE (CONTINUED)

		THE GROUP		THE COMPANY	
	Timing of revenue recognition	2020 Rs'000	2019 Rs'000	2020 Rs'000	2019 Rs'000
(b) Gross insurance premiums	Over time	**1,410,717**	1,156,984	**-**	-
Attributable to :					
- Continuing operations		**1,410,717**	1,156,984	**-**	-
		1,410,717	1,156,984	**-**	-
(c) Rental income	Over time	**68,404**	69,895	**-**	-
Attributable to :					
- Continuing operations		**68,404**	69,895	**-**	-
		68,404	69,895	**-**	-
(d) Dividend income	At a point in time	**22,417**	24,283	**601,904**	879,116
Attributable to :					
- Continuing operations		**22,417**	24,283	**601,904**	879,116
		22,417	24,283	**601,904**	879,116
TOTAL REVENUE					
Revenue from contracts with customers (Note 29(a))		**35,497,354**	38,136,239	**4,376,679**	4,227,173
Gross insurance premiums (Note 29(b))		**1,410,717**	1,156,984	**-**	-
Rental income (Note 29(c))		**68,404**	69,895	**-**	-
Dividend income (Note 29(d))		**22,417**	24,283	**601,904**	879,116
		36,998,892	39,387,401	**4,978,583**	5,106,289
Attributable to :					
- Continuing operations		**36,809,312**	39,050,468	**4,978,583**	5,106,289
- Discontinued operations (Note 21)		**189,580**	336,933	**-**	-
		36,998,892	39,387,401	**4,978,583**	5,106,289

29. REVENUE (CONTINUED)

(e) Contract balances

Set out below is the information about receivables, contract assets and contract liabilities from contracts with customers.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables (Note 18)	**5,401,235**	6,390,215	**1,047,314**	1,094,535
Contract assets	**591,560**	703,743	**-**	-
Contract liabilities (Note (f))	**475,707**	313,159	**-**	-
	6,468,502	7,407,117	**1,047,314**	1,094,535

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Management has measured lifetime ECL on contract assets on the same basis as its trade receivables. None of the amounts due on contract assets at 30 June 2020 is past due (2019: Nil).

Management has assessed ECL on contract asset and the amount is insignificant.

(f) Contract liabilities

	THE GROUP			
	At 1 July	Amount received during the year	Amount recognised in revenue	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Arising on upfront fees from management services recognised over time	**68,188**	**75,882**	**(69,350)**	**74,720**
Amounts related to construction contracts	**231,216**	**316,665**	**(154,706)**	**393,175**
Amounts related to research and development	**13,755**	**7,044**	**(12,987)**	**7,812**
	313,159	**399,591**	**(237,043)**	**475,707**

Notes to the Financial Statements for the year ended 30 June 2020

30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sundry income (Note (i))	**464,935**	288,274	**144,613**	100,199
Rental income	**27,810**	21,718	**3,600**	4,680
Transport income	**9,843**	24,137	**-**	7
Profit on disposal of property, plant and equipment	**5,002**	5,929	**90**	347
Commissions income	**50,536**	64,452	**23,466**	20,496
Management fees	**79,568**	80,459	**8,664**	8,889
Gain on exchange	**284,779**	174,035	**102,680**	66,068
Directors fees	**12,890**	3,398	**7,314**	10,002
Secretarial fees	**2,936**	3,178	**10,372**	11,222
Bad debts recovered	**7,605**	10,057	**-**	475
	945,905	675,637	**300,799**	222,385
Attributable to:				
- Continued operations	**940,099**	669,552	**300,799**	222,385
- Discontinued operations (Note 21)	**5,806**	6,085	**-**	-
	945,905	675,637	**300,799**	222,385

(i) Sundry income includes marketing incentives received from suppliers and funding under government wage assistance scheme.

31. INTEREST INCOME USING THE EIR METHOD

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**48,644**	22,386	**17,827**	5,901
Interest income from related parties	**-**	-	**39,124**	46,587
	48,644	22,386	**56,951**	52,488
Attributable to:				
- Continuing operations	**48,644**	22,382	**56,951**	52,488
- Discontinued operations (Note 21)	**-**	4	**-**	-
	48,644	22,386	**56,951**	52,488

Notes to the Financial Statements for the year ended 30 June 2020

32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
– Bank loans	**494,169**	551,538	**51,151**	79,751
– Bank overdrafts	**116,778**	153,160	**65,732**	92,999
– Other loans	**340,919**	219,929	**241,474**	152,255
– Leases (Note (i))	**323,595**	27,394	**3,625**	1,041
	1,275,461	952,021	**361,982**	326,046
Attributable to:				
– Continuing operations	**1,261,237**	911,579	**361,982**	326,046
– Discontinued operations (Note 21)	**14,224**	40,442	**-**	-
	1,275,461	952,021	**361,982**	326,046

(i) The finance costs for the year ended 30 June 2019 arose on leases accounted under IAS 17 Leases while finance costs for the year ended 30 June 2020 arose on leases under IFRS 16.

33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of issue of bonds and other costs	**(16,000)**	-	**(16,000)**	-
Reversal of impairment loss on loans	**-**	-	**-**	-
Fair value adjustment on investment properties (Note 5)	**20,502**	50,430	**-**	-
Fair value adjustment on investment properties held for sale (Note 21)	**2,588**	-	**-**	-
Gain on disposal of associates	**-**	22,238	**-**	-
Reversal of provisions	**92,536**	-	**8,761**	-
Loss on winding up of a subsidiary	**-**	(4,405)	**-**	-
Assets written off	**(104,040)**	-	**-**	-
Gain on disposal of joint venture	**-**	140,791	**-**	-
Loss on disposal of subsidiary	**-**	(24,621)	**-**	-
Dividend in specie	**-**	-	**-**	155,626
Gain deemed on disposal of associate	**-**	4,523	**-**	-
Recharge of employee benefit liability	**6,427**	-	**248,251**	-
Gain on disposal of previously held for sale assets	**6,517**	-	**-**	-
Loss on debt instruments at fair value through profit and loss	**(32,691)**	(22,056)	**-**	-
	(24,161)	169,900	**241,012**	155,626
Attributable to:				
– Continuing operations	**(26,749)**	169,900	**241,012**	155,626
– Discontinued operations (Note 21)	**2,588**	-	**-**	-
	(24,161)	169,900	**241,012**	155,626

Notes to the Financial Statements for the year ended 30 June 2020

34. COMMITMENTS

(a) Capital commitments

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Authorised by the Board of Directors and:				
(i) Contracted for	**1,745,186**	698,278	**636**	183,410
(ii) Not contracted for	**2,218,700**	3,843,974	**29,118**	46,248
	3,963,886	4,542,252	**29,754**	229,658

The associates and joint ventures of the Group had contracted and non-contracted capital commitments amounting to Rs 160,273 (2019: Rs 160,273) and Rs 741,897 (2019: Rs 219,152) respectively for the year ended 30 June 2020.

One of the associates had undrawn commitments for loans and receivables amounting to Rs 915 million at 30 June 2020 (2019: Rs 1,094 million).

(b) Operating lease arrangements

The Group and the Company as lessees

Operating leases relate to warehouse facilities, offices and motor vehicles with lease terms of between 5 to 6 years, with an option to renew. All operating lease contracts contain market review clauses in the event that the lessees exercise their option to renew. The lessees do not have an option to purchase the leased assets at the expiry of the lease period.

Payments recognised as an expense

	THE GROUP	THE COMPANY
	2019	2019
	Rs'000	Rs'000
Minimum lease payments	160,999	8,684

Minimum lease rental payable under non cancellable leases

	THE GROUP	THE COMPANY
	2019	2019
	Rs'000	Rs'000
Within one year	459,820	7,201
Between two to five years	1,713,639	12,826
More than five years	14,187,843	5,010
	16,361,302	25,037

35. CONTINGENT LIABILITIES

Lux Island Resorts

One of the subsidiaries, Lux*, is being sued for breach of termination of employment contract by a number of former employees and the amount claimed is Rs 54.1 million (2019: Rs 53.3 million). The directors have been advised that some claims appear unfounded and that the necessary severance alowance/damages claim in others appear grossly exagerated. The company has also enterred into counter proceedings for an amount of Rs 75 million against one of the plaintiffs.

United Basalt Products Ltd

Legal action has been initiated by former employees against the Group in respect of unpaid severance allowances. The estimated payout is Rs 25.5 million (2019: Rs 57.5 million), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

Eagle Insurance Limited

Following the investigation by the Competition Commission of Mauritius ("CCM") into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") relative to the alleged collusive behaviour, they have now submitted their findings in a preliminary report dated 15 May 2020.

They have based their findings on two grounds namely:

1) Agreements between members of the APHPA on a common scale of cost in so far as it concerns gynecological procedures and,

2) Agreements between certain members of APHPA on referrals of cases for overseas treatment. Our objections to these points have been submitted to APHPA counsel. In the findings of their preliminary report, the CCM has also mentioned what would be the level of fines.

A reply was sent to the CCM through APHPA's legal counsel on 26 June 2020 requesting details on the basis of calculation for the pro rated amount applicable to Eagle Insurance, as we are agreeable to the principle of fines but not to the quantum. There is no indication as at date around the timing or amount of any inflows.

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

The details of the contingent liabilities are as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank guarantees	**1,031,789**	1,080,784	**68,826**	91,913
Guarantee and letter of credit	**1,175,035**	856,054	**296,255**	244,255
	2,206,824	1,936,838	**365,081**	316,168

Notes to the Financial Statements for the year ended 30 June 2020

36. RELATED PARTY TRANSACTIONS

	Associates and joint ventures	
THE GROUP	**2020**	2019
	Rs'000	Rs'000
Balances		
Cash at bank	**35,634**	76,278
Trade and other receivables	**260,521**	177,635
Trade and other payables	**32,958**	82,625
Amount recoverable from related parties on employee benefit liabilities	**11,324**	–
Bank overdrafts and borrowings	**946,414**	430,862

	Associates and joint ventures	
THE GROUP	**2020**	2019
	Rs'000	Rs'000
Transactions		
Sale of goods and services	**1,135,607**	783,378
Purchase of goods and services	**690,392**	697,758
Purchase of property, plant and equipment	**–**	= –
Sale of property, plant and equipment	**–**	338
Interest income	**–**	88
Interest expense	**26,634**	32,672

For the year ended 30 June 2020, the Group recognised provision for expected credit losses relating to amounts owed by related parties (see Notes 18).

36. RELATED PARTY TRANSACTIONS (CONTINUED)

THE COMPANY	Subsidiaries		Associates and joint ventures	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Balances				
Cash at bank	**-**	-	**7,585**	10,217
Trade and other receivables	**433,709**	469,556	**58,720**	48,534
Trade and other payables	**77,641**	110,821	**4,990**	19,565
Borrowings	**-**	-	**401,659**	160,000

THE COMPANY	Subsidiaries		Associates and joint ventures	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Transactions				
Sale of goods and services	**1,014,937**	843,157	**18,677**	13,678
Purchase of goods and services	**90,477**	86,624	**185,978**	165,178
Dividend income	**366,762**	707,958	**225,492**	165,372
Interest income	**61,275**	78,445	**-**	746
Interest expense	**22,149**	25,150	**13,448**	644
Administrative expenses	**279,024**	314,214	**2,701**	10,457
Management fees	**55,730**	74,775	**6,672**	12,619

The terms and conditions of transactions with related party are presented in their respective notes.

The Company has provided a letter of financial support to the following subsidiaries: DieselActiv Co Ltd, Medical Trading International Ltd, IBL Financial Services Holdings Ltd, IBL Life Ltd, IBL Gabon Investments Ltd, IBL India Investments Ltd, Marine Biotechnology International Ltd, IBL Biotechnology Investment Holdings Ltd and IBL Biotechnology International Ltd.

Compensation paid to key management personnel

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short term benefits	**977,929**	631,537	**257,257**	173,872
Post employment benefits	**55,653**	48,310	**14,834**	14,482
	1,033,582	679,847	**272,091**	188,354

37(a). FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

Gearing ratio

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt	**26,330,887**	19,712,091	**9,987,583**	8,485,620
Less: Cash and cash equivalents	**(3,246,736)**	(2,124,154)	**(640,033)**	(323,752)
Net debt	**23,084,151**	17,587,937	**9,347,550**	8,161,868
Total equity	**25,160,715**	27,086,937	**15,274,567**	19,604,576
Gearing (net debt / (net debt + total equity)	**48%**	39%	**38%**	29%

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in note 2(B) to the financial statements.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets (IFRS 9)				
Financial assets at fair value through other comprehensive income	**10,498,408**	9,454,330	**24,192,025**	26,385,115
Financial assets at fair value through profit or loss	**330,944**	371,338	**-**	-
Financial assets at amortised cost	**9,914,769**	10,192,963	**1,758,874**	2,334,995
	20,744,121	20,018,631	**25,950,899**	28,720,110
Financial liabilities				
Amortised cost	**34,852,008**	29,605,840	**11,713,343**	9,491,712
	34,852,008	29,605,840	**11,713,343**	9,491,712

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

THE GROUP

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
2020				
Other financial assets (Note 14)	**255,151**	**120,024**	**321,137**	**696,312**
2019				
Other financial assets (Note 14)	400,788	157,713	215,052	773,553
Assets classified as held for sale (Note 21)	121,483	-	-	121,483
	522,271	157,713	215,052	895,036

THE COMPANY

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
2020				
Investment in subsidiaries (Note 11)	**5,313,200**	**-**	**13,128,350**	**18,441,550**
Investment in associates (Note 12)	**1,338,106**	**2,918,943**	**1,068,477**	**5,325,526**
Investment in joint ventures (Note 13)	**-**	**-**	**302,580**	**302,580**
Other financial assets (Note 14)	**28,499**	**-**	**93,870**	**122,369**
	6,679,804	**2,918,943**	**14,593,277**	**24,192,025**
2019				
Investment in subsidiaries (Note 11)	7,946,889	155,626	12,489,026	20,591,541
Investment in associates (Note 12)	1,655,026	2,600,700	1,067,875	5,323,601
Investment in joint ventures (Note 13)	-	-	347,679	347,679
Other financial assets (Note 14)	35,922	-	86,372	122,294
	9,637,837	2,756,326	13,990,952	26,385,115

Notes to the Financial Statements for the year ended 30 June 2020

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (Continued)

There has been no transfer between Level 1 and Level 3 as at 30 June 2020 and 2019.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in notes 11, 12, 13 and 14.

Reconciliation of Level 3 for the Group

	2020 Rs'000	2019 Rs'000
At 1 July	**215,052**	205,077
IFRS 9 adoption - adjustments	**-**	86,150
Additions	**21,591**	70,530
Disposals	**(90,801)**	(25,050)
Fair value adjustment (Note 14)	**-**	24,263
Transfer to other non-current assets	**-**	(1,500)
Assets held for sale (Note 21)	**-**	(145,682)
Accrued interest during the year	**70,778**	1,269
Exchange difference	**158**	(5)
Accrued interest	**3,922**	-
Reclassification from level 1 to level 3	**100,437**	-
Balance at 30 June	**321,137**	215,052

The impairment loss and fair value adjustment are unrealised. Since investment in associates and Joint ventures are equity accounted, the fair value adjustment only relates to other financial assets. Refer to Note 14.

Notes to the Financial Statements for the year ended 30 June 2020

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs – Level 3

THE GROUP

Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
2020			
	Unquoted equity investment		
PE Multiple	Multiple	6.3x-14.98x	An increase/(decrease) of 1x would result in an increase (decrease) in fair value by Rs 7,883,000.
PE Multiple	Discount for lack of marketability	15%-25%	An increase/(decrease) of 5% would result in an decrease (increase) in fair value by Rs 6,714,000.
	Foreign equity-Bank		
Price to book value	Discount due to lack of marketability	0-40%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs15.85M (2019: Rs7M) in fair value.
	Commerce and others		
Dividend yield	Discount due to lack of markeatability	10-20%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs0.016M (2019: Rs0.07M) in fair value.
2019			
	Unquoted equity investment		
PE Multiple	Multiple	9.7x-13.27x	An increase/(decrease) of 1x would result in an increase (decrease) in fair value by Rs 22,805,000.
PE Multiple	Discount for lack of marketability	15-20%	An increase/(decrease) of 5% would result in an (decrease)/increase in fair value by Rs 6,335,000.
	Foreign equity-Bank		
Price to book value	Discount due to lack of markeatability	0-40%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 7.0M in fair value.
	Foreign equity-Reinsurance		
Dividend yield	Discount due to lack of markeatability	10-20%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 0.07M (2018: nil) in fair value.

Notes to the Financial Statements for the year ended 30 June 2020

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs – Level 3

THE COMPANY

Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
2020			
	Unquoted equity investment		
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	A 1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 614,850,000.
DCF method	WACC	11.87%-18.83% (14.55%)	A 1% increase/(decrease) would result in a (decrease)/ increase in fair value by Rs 788,635,000.
PE Multiple	Multiple	10.0x-12.09x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 205,907,300.
PE Multiple	Discount for lack of marketability	0-21%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 99,979,050.
EV/EBITDA Multiple	EBITDA	2.25x-10.11x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 89,612,842.
2019			
	Unquoted equity investment		
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	A 1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 721,647,000.
DCF method	WACC	11.10% - 39.69% (14.93%)	A 1% increase/(decrease) would result in a (decrease)/ increase in fair value by Rs 837,680,000.
PE Multiple	Multiple	10.0x -12.6x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 176,603,940.
PE Multiple	Discount for lack of marketability	0-20%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 94,887,545.
EV/EBITDA Multiple	EBITDA	4.43x 8.28x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 26,168,288.

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pounds (GBP).

Currency profile

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets				
Mauritian Rupee	**17,918,902**	16,914,462	**25,274,706**	28,046,817
US Dollars	**1,144,110**	936,658	**595,015**	258,451
Euro	**326,995**	1,348,809	**79,979**	368,193
Great Britain Pounds	**50,452**	144,322	**1,199**	4,472
Others	**1,303,662**	674,380	**-**	42,177
	20,744,121	20,018,631	**25,950,899**	28,720,110
Financial liabilities				
Mauritian Rupee	**28,628,159**	22,839,831	**11,512,652**	9,148,884
US Dollars	**121,010**	2,550,300	**14,553**	223,516
Euro	**623,853**	2,984,174	**47,455**	55,410
Great Britain Pounds	**106,947**	525,579	**1,704**	408
Others	**5,372,039**	705,955	**-**	63,493
	34,852,008	29,605,839	**11,576,364**	9,491,711

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

Notes to the Financial Statements for the year ended 30 June 2020

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency sensitivity analysis (Continued)

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact - US Dollars				
Profit or loss	**102,310**	(161,364)	**58,046**	3,494
Equity*	**45,552**	(62,217)		
Impact - Euro				
Profit or loss	**(29,686)**	(163,537)	**3,252**	31,278
Equity*	**(64,591)**	(35,770)		
Impact - Great Britain Pounds				
Profit or loss	**(5,650)**	(38,126)	**(50)**	406
Equity*	**(27,872)**	(25,299)		

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end in the Group and the Company. The equity impact of a change in rate of Euro vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on the hedge accounting on Euro loans. The equity impact of a change in rate of USD vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary Lux Island Resorts Maldives Ltd, and also to the hedge reserve ariding on USD loans.

Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets are either interest free or bear a fixed rate of interest; therefore, they are not exposed to interest rate risk. For instance, the financial assets as shown in the categories of financial instruments, with the exception of loans and advances, are interest free. Financial assets encompassing loans and advances have a fixed rate of interest. A 100 basis point increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2020 would decrease/increase by Rs113,049,363 (2019: Rs122,651,932) and the Company's profit for the year ended 30 June 2020 would decrease/increase by Rs39,909,603 (2019: Rs39,930,806). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis. Refer to Note 2A(b) for the credit risk attributes in relation to trade and other receivables, cash and bank balances and corporate bonds and deposits.

The Group's and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk. Refer to Note 18 for the credit risk exposure of trade receivables based on the Group's and the company's provision matrix in accordance with IFRS 9.

As explained in Note 18, receivable balance falling under the industry of agriculture, financial services, traders, foreign governmental bodies amongst others are classified as low risk entities and have not overlay applied to the provision matrix. On the other hand, receivable balance falling in the manufacturing and logistics (including the aviation sector) are classified as medium risk and have an overlay of 2% applied to the provision matrix. Receivable balance falling in the hospitality and the building and engineering are classified as high risk and have an overlay of 10% applied to the provision matrix.

Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the equity price had increased or decreased by 10%:

- there would be no impact on the net profit at 30 June 2019 and 2020 as equity investments are classified as Financial assets at fair value through other comprehensive income (OCI).
- The other comprehensive income and fair value reserves included in equity would increase/decrease by Rs25,515,128 (2019: Rs83,559,966) for the Group and Rs667,980,434 (2019: Rs963,783,523) for the Company, as a result of the changes in fair value of Financial assets at fair value through other comprehensive income (OCI).

Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (Continued)

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on undiscounted contracted payments:

THE GROUP

	At call Rs'000	Less than one year Rs'000	1 to 5 years Rs'000	> 5 years Rs'000	Total Rs'000
2020					
Lease liabilities	**-**	**421,113**	**1,658,613**	**2,572,324**	**4,652,050**
Non-interest bearing instruments**	**-**	**474,087**	**1,798,508**	**2,379,456**	**4,652,051**
Variable interest rate instruments	**-**	**7,825,685**	**126,633**	**-**	**7,952,318**
Fixed interest rate instruments	**2,921,913**	**2,123,278**	**5,293,336**	**3,679,317**	**14,017,844**
Financial guarantee contracts*	**1,175,035**	**-**	**-**	**-**	**1,175,035**
	4,096,948	**10,844,163**	**8,877,090**	**8, 631,097**	**32,449,298**
2019					
Finance lease liabilities	-	93,374	207,719	18,969	320,062
Non-interest bearing instruments**	-	9,150,069	100,170	-	9,250,239
Variable interest rate instruments	2,459,943	1,912,642	4,751,547	4,503,366	13,627,498
Fixed interest rate instruments	2,837,649	1,659,997	1,747,882	1,109,927	7,355,455
Financial guarantee contracts*	856,054	-	-	-	856,054
	6,153,646	12,816,082	6,807,318	5,632,262	31,409,308

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.
**Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

THE COMPANY

	At call Rs'000	Less than one year Rs'000	1 to 5 years Rs'000	> 5 years Rs'000	Total Rs'000
2020					
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Non-interest bearing instruments	**-**	**18,019**	**14,736**	**33,529**	**66,284**
Variable interest rate instruments	**-**	**1,114,830**	**78,562**	**-**	**1,193,392**
Fixed interest rate instruments	**713,259**	**307,788**	**2,373,450**	**1,048,750**	**4,443,247**
Financial guarantee contracts*	**68,826**	**344,433**	**3,460,388**	**1,071,250**	**4,944,897**
	782,085	**1,785,070**	**5,927,136**	**2,153,529**	**10,647,820**
2019					
Finance lease liabilities	-	4,313	8,287	-	12,600
Non-interest bearing instruments	-	910,422	62,992	-	973,414
Variable interest rate instruments	1,550,961	112,431	2,054,098	607,166	4,324,656
Fixed interest rate instruments	2,435,000	1,041,887	607,166	607,166	4,691,219
Financial guarantee contracts*	224,200	-	-	-	224,200
	4,210,161	2,069,053	2,732,543	1,214,332	10,226,089

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

Notes to the Financial Statements for the year ended 30 June 2020

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Cash flow hedge

This reserve is in respect of cash flow hedge reserve as well as foreign translation currency reserve. The hedge reserve is used to record the exchange differences arising on the EURO, GBP and USD loans taken by the Group and which have been designated as hedging instruments against future revenues of the Group in the respective currencies. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loan agreements (the "hedging instruments"), in EURO, GBP and USD with future principal payments that will be matched by the future remittances from customers in these currencies. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EURO at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss. The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

The effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves recognised in the cash flow hedge as at 30 June 2020 is a negative reserve of Rs 28,640,000 (2019: Rs 198,020,000). The amount included in "other reserves" is negative Rs 7,914,000 (2019: Rs 87,730,000) while amount attributable to non-controlling interests is Rs 36,554,000 (2019: Rs 110,290,000).

The movement for the year amounting to negative Rs 169,380,000 in 2020 (2019: Rs 46,921,000) relates to exchange differences on translation of US Dollar and Euro at year end rate in addition to the portion of exchange difference reserve realised on repayment of borrowings. An amount of negative Rs 95,644,000 (2019: Rs 26,495,000) is attributable to the Company while an amount of negative Rs 73,736,000 (2019: Rs 20,426,000) is attributable to non-controlling interests.

THE GROUP	Cash Flow hedge reserve
At 01 July 2018	70,607
Cash flow hedge on loan in foreign currency	121
At 30 June 2019	70,728
Cash flow hedge on loan in foreign currency	(243,933)
Cash flow hedge reserve released on repayment of loan	75,851
Tax on other comprehensive income	32,345
At 30 June 2019	(135,737)

37(b). MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Notes to the Financial Statements for the year ended 30 June 2020

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Casualty Insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Concentration of insurance risk (Short-term insurance)

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2020			2019		
Class of business	**Gross Rs'000**	**Reinsurance Rs'000**	**Net Rs'000**	Gross Rs'000	Reinsurance Rs'000	Net Rs'000
Accident	**128,829**	**(73,237)**	**55,592**	138,540	(101,046)	37,494
Engineering	**82,091**	**(69,801)**	**12,290**	78,619	(67,618)	11,001
Fire	**453,391**	**(406,048)**	**47,343**	675,258	(624,287)	50,971
Liability	**187,473**	**(112,230)**	**75,243**	158,450	(101,075)	57,375
Motor	**320,748**	**(25,829)**	**294,919**	340,987	(23,414)	317,573
Health	**36,070**	**(28,295)**	**7,775**	8,934	(5,268)	3,666
Marine	**118,828**	**(66,009)**	**52,819**	81,123	(93,174)	(12,051)
IBNR	**231,409**	**(135,033)**	**96,376**	227,981	(144,061)	83,920
	1,558,839	**(916,482)**	**642,357**	1,709,892	(1,159,943)	549,949

The company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened.

Notes to the Financial Statements for the year ended 30 June 2020

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Sources of uncertainty in the estimation of future benefit payments (Continued)

Casualty insurance (Continued)

For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table

The development of insurance liabilities provides a measure of the company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

2020

	2015	2016	2017	2018	2019	2020	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	1,301,956	608,754	428,699	841,151	840,449	825,515	4,846,524
1 year later	225,565	89,706	163,750	59,271	51,996	–	590,288
2 years later	11,543	25,761	(32,106)	24,714	–	–	29,912
3 years later	(20,553)	(31,859)	(17,328)	–	–	–	(69,740)
4 years later	(3,070)	(6,673)	–	–	–	–	(9,743)
5 years later	(3,277)	–	–	–	–	–	(3,277)
Current estimate of cumulative claims	1,515,441	692,362	560,343	900,422	840,449	825,515	5,383,964
Accident year	314,807	349,390	317,902	308,880	308,367	508,812	2,108,158
1 year later	1,109,791	206,400	128,796	179,049	415,540	–	2,039,576
2 years later	9,943	20,571	16,075	51,861	–	–	98,450
3 years later	1,862	2,838	5,199	–	–	–	9,899
4 years later	4,126	1,964	–	–	–	–	6,090
5 years later	1,825	–	–	–	–	–	1,825
Cumulative payment to date	1,440,529	579,199	462,773	487,929	308,367	508,812	4,263,998
	74,912	113,163	97,570	412,493	532,082	316,703	1,119,966
Liabilities in respect of prior years*							207,464
IBNR							231,409
Total gross liabilities							1,558,839

This represents the cumulative liabilities prior to 2015

Notes to the Financial Statements for the year ended 30 June 2020

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table (Continued)

2019

	2014	2015	2016	2017	2018	2019	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	314,292	1,301,956	608,754	428,699	841,151	840,449	4,335,301
1 year later	46,341	225,565	89,706	163,750	59,271	–	584,633
2 years later	10,833	11,543	25,761	(32,106)	–	–	16,031
3 years later	7,129	(20,553)	(31,859)	–	–	–	(45,283)
4 years later	6,311	(3,070)	–	–	–	–	3,241
5 years later	156	–	–	–	–	–	156
Current estimate of cumulative claims	385,062	1,515,441	692,362	560,343	900,422	840,449	4,894,079
Accident year	209,974	314,807	349,390	317,902	308,880	308,367	1,809,320
1 year later	103,279	1,109,791	206,400	128,796	179,049	–	1,727,315
2 years later	18,157	9,943	20,571	16,075	–	–	64,746
3 years later	685	1,862	2,838	–	–	–	5,385
4 years later	4,258	4,126	–	–	–	–	8,384
5 years later	1,348	–	–	–	–	–	1,348
Cumulative payment to date	337,701	1,440,529	579,199	462,773	487,929	308,367	3,616,498
	47,361	74,912	113,163	97,570	412,493	532,082	1,277,581
Liabilities in respect of prior years*							188,296
IBNR							244,015
Total gross liabilities							1,709,892

This represents the cumulative liabilities prior to 2014

38. BUSINESS COMBINATIONS

(a) Acquisition of subsidiaries

In September 2019, one of the subsidiaries, Chantier Naval de L'Ocean Indien Limited acquired 100% stake in Mer & Design SAS for a consideration of Rs 49,562,574.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2020 Rs'000	2019 Rs'000
Assets		
Property, plant and equipment (Note 4)	**487**	413
Intangible assets (Note 6)	**-**	60
Trade and other receivables	**25,608**	1,331
Cash and cash equivalents	**13,417**	3,347
	39,512	5,151
Liabilities		
Trade and other payables	**8,527**	2,934
Employee benefit liabilities (Note 24)	**-**	310
Tax payable (Note 26)	**-**	1
	8,527	3,245
Fair value of net assets acquired	**30,985**	1,906
Consideration paid in cash	**49,563**	5,000
Non controlling interests	**-**	191
Fair value of previously held interests	**-**	5,000
	49,563	10,191
Goodwill (i)	**18,578**	8,285
Cash flow		
Consideration paid in cash	**49,563**	5,000
Less: cash and cash equivalents acquired in subsidiary	**(13,417)**	(3,347)
Net cash outflow on acquisition	**36,146**	1,653

38. BUSINESS COMBINATIONS (CONTINUED)

(a) Acquisition of subsidiaries (Continued)

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2020 include an amount of Rs 22 million and a loss before tax of Rs 4 million respectively attributable to the additional business generated by the acquired subsidiary.

The revenue and results for the year ended 30 June 2019 include an amount of Rs 5 million and a profit before tax of Rs 1 million respectively attributable to the additional business generated by the acquired subsidiary.

(i) The goodwill of Rs 18 million arising from the acquisition of the subsidiary during the year has been fully impaired as at year end (Refer to Note 6).

(b) Disposal of subsidiaries

Previous reporting year

In August 2018, the Group disposed its 94% shareholding in Mauritian Eagle Leasing Company Ltd, asset classified as held for sale for the year ended 30 June 2018, for a consideration of Rs 205,778,000. The share of net assets at the date of disposal was Rs 194,604,536.

In December 2018, the Group disposed its 100% shareholding in Fresh Cuts (Uganda) Limited for a consideration of Rs 1. The share of net assets at the date of disposal was Rs 42,923,188.

In February 2019, the Group disposed its 100% shareholding in Escape Outdoor & Leisure Ltd for a consideration of Rs 1. The share of net assets losses at the date of disposal was Rs 717,712.

In April 2019, one of the subsidiaries, Intergraph Ltée disposed its 100% shareholding in Intergraph Editions Ltée for a consideration of Rs 26,588,068. The share of net assets at the date of disposal was Rs 20,177,053.

38. BUSINESS COMBINATIONS (CONTINUED)

(b) Disposal of subsidiaries (Continued)

Analysis of assets and liabilities over which control was lost:

	2020 Rs'000	2019 Rs'000
Assets		
Property, plant and equipment (Notes (i) and 4)	-	378,835
Intangible assets (Notes (ii) and 6)	-	978
Deferred tax assets (Note 7)	-	4,960
Trade and other receivables	-	71,273
Finance lease receivables	-	608,217
Cash and cash equivalents	-	126,303
Inventories	-	33,388
	-	1,223,954
Liabilities		
Trade and other payables	-	116,115
Borrowings (Notes (iii) and 22)	-	830,271
Employee benefit liabilities (Note (iv) and 24)	-	1,222
Bank overdrafts	-	7,364
Tax liabilities	-	821
	-	955,793
Net assets disposed	-	268,161
Share of net assets disposed	-	256,988
Loss on disposal	-	(24,621)
	-	232,367
Consideration		
Consideration received in cash	-	206,950
Consideration receivable	-	25,417
	-	232,367
Net cash outflow on disposal		
Consideration received in cash	-	206,950
Net cash and cash equivalents in subsidiary disposed of	-	(118,939)
	-	88,011

In August 2018, the Group disposed of one of its subsidiary, Mauritian Eagle Leasing Company Ltd (MELCO) which was classified as asset held for sale in the prior reporting year 30 June 2018:

(i) The carrying value of the property, plant and equipment of MELCO amounted to Rs 337,353,741;
(ii) The carrying value of the intangible assets of MELCO amounted to Rs 114,218;
(iii) Borrowings amounted to Rs 823,487,000.
(iv) MELCO had employee benefit liabilities of Rs 734,087.

Notes to the Financial Statements for the year ended 30 June 2020

38. BUSINESS COMBINATIONS (CONTINUED)

(c) Change in percentage holding in subsidiaries

Current reporting year 30 June 2020

Dry Mixed Ltd

On 13 February 2020, the Group acquired an additional 3.59% of the issued shares of Dry Mixed Ltd for a purchase consideration of Rs 10,056,480. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 4,584,033. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2020 Rs'000
Consideration paid to non-controlling interests	**10,056**
Less: Carrying amount of non-controlling interests acquired	**(4,585)**
Adjustment recognised in retained earnings	**5,471**

UBP Coffrages Ltée

As at 30 June 2019, United Basalt Products Ltd held 90% of the share capital in UBP Coffrages Ltée. In October 2019, UBP Coffrages Ltée issued additional shares to United Basalt Products Ltd and to its non-controlling interest owners in proportion to their shareholdings.

The Group recognised a movement in non-controlling interests of Rs 1,983,000 as a result of the transaction.

Previous reporting year 30 June 2019

LCF Holdings Ltd

On 31 July 2018, the Group acquired an additional 15% reaching 75% of the issued shares of LCF Holdings Ltd for a purchase consideration of Rs 3,750,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 1,145,377. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2019 Rs'000
Consideration paid to non-controlling interests	3,750
Less: Carrying amount of non-controlling interests acquired	(1,145)
Adjustment recognised in retained earnings	2,605

Medical Trading International Limited

On 5 December 2018, the Group acquired an additional 49% to reach 100% of the issued shares of Medical Trading International Limited for a purchase consideration of Rs 2,139,000. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 3,997. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2019 Rs'000
Consideration paid to non-controlling interests	2,139
Less: Carrying amount of non-controlling interests acquired	(4)
Adjustment recognised in retained earnings	2,135

38. BUSINESS COMBINATIONS (CONTINUED)

(c) **Change in percentage holding in subsidiaries (Continued)**

Previous reporting year 30 June 2019 (Continued)

Southern Investments Limited

On 16 November 2018, the Group held 100% of the issued shares of Southern Investments Limited after acquiring a 37% stake for a purchase consideration of Rs 131,743,965. The Group derecognised the non-controlling interests and recorded a decrease in equity attributable to owners of the Company of Rs 76,290,405. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2019 Rs'000
Consideration paid to non-controlling interests	131,744
Less: Carrying amount of non-controlling interests acquired	(76,290)
Adjustment recognised in retained earnings	55,454

Chantier Naval de l'Océan Indien Limited ("CNOI")

On 31 December 2018, Chantier Naval de l'Océan Indien Limited bought back 6% of its issued shares at a premium from two shareholders for a consideration of Rs 134 million. An amount of Rs 118 million was charged against retained earnings following the share buy back and the share capital of CNOI was reduced by Rs 15 million. The shares were cancelled after the buy back resulting in an increase in the Group stake by 3.83%. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 129,661,979. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2019 Rs'000
Consideration paid to non-controlling interests	-
Less: Carrying amount of non-controlling interests acquired	(128,930)
Adjustment recognised in retained earnings	(128,930)

	2019 Rs'000
Total adjustments recognised in equity	68,736

Notes to the Financial Statements for the year ended 30 June 2020

39. SEGMENTAL INFORMATION – GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

- Agro & Energy
- Building & Engineering
- Commercial & Distribution
- Financial & Other Services
- Hospitality & Services
- Life & Technologies
- Logistics
- Property
- Seafood
- Corporate Services

The segment information reported below does not include any amounts for the Group's discontinued operations. More information is given in Note 21.

Notes to the Financial Statements for the year ended 30 June 2020

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

At 30 June 2020	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial & Other Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate Services Rs'000	Consolidation adjustments Rs'000	**Total Rs'000**
Revenue (Note 29)	**5,820,741**	**23,596,252**	**2,007,263**	**4,836,828**	**223,992**	**1,448,976**	**761,686**	**1,406,599**	**199,256**	**(3,492,281)**	**36,809,312**
Results											
Segment result	**(160,016)**	**590,529**	**90,776**	**192,034**	**(3,910)**	**(39,389)**	**20,394**	**272,116**	**(445,661)**	**(64,059)**	**452,814**
Finance costs (Note 32)											**(1,261,237)**
Finance income (Note 31)											**48,644**
Impairment of goodwill and investments											**(1,049,375)**
Other gains and losses (Note 33)											**(26,749)**
Share of results of associates and joint ventures (Note 12 and 13)											**568,435**
Loss before taxation (continuing operations)											**(1,267,468)**
Taxation (Note 26)											**(136,560)**
Loss for the year											**(1,404,028)**

At 30 June 2019	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial & Other Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate Services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
Revenue (Note 29)	6,964,657	23,099,154	1,764,140	6,297,532	231,750	1,896,694	837,294	1,123,400	171,468	(3,335,621)	39,050,468
Results											
Segment result	544,862	1,079,900	19,448	815,369	12,506	71,428	92,139	178,076	(515,615)	(86,798)	2,211,315
Finance costs (Note 32)											(911,579)
Finance income (Note 31)											22,382
Impairment of goodwill and investments											(171,672)
Other gains and losses (Note 33)											169,900
Share of results of associates and joint ventures (Note 12 and 13)											441,306
Profit before taxation (continuing operations)											1,761,652
Taxation (Note 26)											(427,748)
Profit for the year											1,333,904

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

Notes to the Financial Statements for the year ended 30 June 2020

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities

At 30 June 2020	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate Services Rs'000	Consolidation adjustments Rs'000	**Total Rs'000**
Segment assets	**9,615,143**	**14,234,643**	**3,646,412**	**15,843,119**	**374,942**	**1,404,945**	**7,327,955**	**1,976,124**	**1,728,095**	**(1,948,593)**	**54,202,785**
Investments in associates, joint ventures and other financial assets (Note 12, 13 and 14)											**10,498,408**
Deferred tax assets											**588,737**
Tax assets (Note 26)											**72,265**
Assets classified as held for sale (Note 21)											**921,518**
Consolidated total assets											**66,283,713**
Segment liabilities	**4,181,552**	**7,508,871**	**3,050,159**	**10,309,006**	**185,989**	**1,065,838**	**3,585,140**	**780,201**	**11,768,776**	**(2,800,735)**	**39,634,797**
Deferred taxation (Note 7)											**1,012,712**
Tax payable (Note 26)											**33,633**
Liabilities associated with assets classified as held for sale (Note 21)											**441,857**
Consolidated total liabilities											**41,122,999**

At 30 June 2019	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate Services Rs'000	Consolidation adjustments Rs'000	Total Rs'000
Segment assets	9,455,240	12,064,478	3,396,886	12,763,265	483,193	897,673	7,472,904	1,876,213	894,379	(624,313)	48,679,918
Investments in associates, joint ventures and other financial assets											10,111,207
Deferred tax assets											170,115
Tax assets											72,404
Assets classified as held for sale											699,384
Consolidated total assets											59,733,028
Segment liabilities	3,865,175	5,105,468	2,991,519	6,241,997	228,140	572,660	3,199,824	583,711	9,548,020	(1,183,128)	31,153,386
Deferred taxation											920,785
Tax payable											146,072
Liabilities associated with assets classified as held for sale											425,848
Consolidated total liabilities											32,646,091

Notes to the Financial Statements for the year ended 30 June 2020

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than taxes and investments in associates, joint ventures and other financial assets. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) Other segment information

Additions to non-current assets (include property, plant and equipment, investment properties, intangible assets and exclude investments, deffered tax assets and finance lease receivables) and depreciation and amortisation.

	Building & Engineering Rs'000	Commercial & Distribution Rs'000	Financial Services Rs'000	Hospitality & Services Rs'000	Life & Technologies Rs'000	Logistics Rs'000	Property Rs'000	Seafood Rs'000	Corporate Services Rs'000	Total Rs'000
At 30 June 2020										
Additions to non-current assets	**426,035**	**649,000**	**57,911**	**844,691**	**5,553**	**359,755**	**339,568**	**74,621**	**174,841**	**2,931,975**
Depreciation and amortisation	**360,215**	**555,674**	**39,682**	**459,970**	**16,180**	**94,765**	**50,819**	**122,174**	**39,160**	**1,738,639**
At 30 June 2019										
Additions to non-current assets	567,739	464,098	142,661	581,150	4,457	132,923	354,101	689,706	5,768	2,942,603
Depreciation and amortisation	415,993	165,239	25,643	474,135	14,840	55,408	105,455	415,352	73,890	1,745,955

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

		2020 Rs'000	2019 Rs'000
Building & Engineering	- Contracting & equipment	**5,820,741**	6,964,657
Commercial & Distribution	- Consumer goods, sale of beverages & chain of supermarkets	**23,596,252**	23,099,154
Financial Services	- Insurance, leasing and management services	**2,007,263**	1,764,140
Hospitality & Services	- Hotels operation	**4,836,828**	6,297,532
Life & Technologies	- Medical research	**223,992**	231,750
Logistics	- Freight forwarding	**1,448,976**	1,896,694
Seafood	- Seafood sector	**1,406,599**	1,123,400
Others		**960,942**	1,008,762
Consolidation adjustments		**(3,492,281)**	(3,335,621)
		36,809,312	39,050,468

Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

Notes to the Financial Statements for the year ended 30 June 2020

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(iii) Other segment information (Continued)

Geographical information

The Group's operations are located in the countries as described below.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2020 Rs'000	2019 Rs'000
Mauritius	**31,353,078**	32,640,170
Europe	**698,812**	924,264
USA	**91,730**	47,105
Madagascar, Comoros, Seychelles & Reunion	**2,478,622**	3,117,153
Dubai, Africa, Australia & others	**1,029,097**	783,780
Maldives	**1,157,973**	1,537,996
	36,809,312	39,050,468

40. (LOSS)/EARNINGS PER SHARE

	2020 Rs	2019 Rs
(Loss)/Earnings per share		
Basic and diluted:		
- From continuing and discontinued operations	**(1.75)**	0.50
- From continuing operations	**(1.72)**	0.55
- From discontinuing operations	**(0.03)**	(0.05)

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2020 Rs'000	2019 Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing and discontinued operations	**(1,191,133)**	339,784
Earnings for the year attributable to owners of the Company used in calculation of earnings per share - From continuing operations	**(1,169,009)**	371,845

	2020 Rs'000	2019 Rs'000
Weighted average number of ordinary shares	**680,224,040**	680,224,040

41. GROSS OUTSTANDING CLAIMS AND REINSURANCE ASSETS

The GROUP	2020 Gross Rs '000	2020 Reinsurance Rs '000	2020 Net Rs '000	2019 Restated* Gross Rs '000	2019 Reinsurance Rs '000	2019 Net Rs '000
Claims notified	**1,481,911**	**(1,015,882)**	**466,029**	1,129,602	(778,430)	351,172
Claims incurred but not reported	**227,981**	**(144,061)**	**83,920**	189,100	(116,186)	72,914
At 1 July	**1,709,892**	**(1,159,943)**	**549,949**	1,318,702	(894,616)	424,086
Movement in claims incurred	**839,527**	**(369,560)**	**469,967**	1,074,602	(580,021)	494,581
Cash (paid)/received for claims settled in the year	**(990,580)**	**613,021**	**(377,559)**	(683,412)	314,694	(368,718)
At 30 June	**1,558,839**	**(916,482)**	**642,357**	1,709,892	(1,159,943)	549,949
Analysed as:						
Claims notified	**1,327,430**	**(781,448)**	**545,982**	1,481,911	(1,015,882)	466,029
Claims incurred but not reported	**231,409**	**(135,034)**	**96,375**	227,981	(144,061)	83,920
	1,558,839	**(916,482)**	**642,357**	1,709,892	(1,159,943)	549,949

42 (a). GENERAL INSURANCE FUND AND REINSURANCE ASSETS

The GROUP	Gross Rs '000	Reinsurance Rs '000	Net Rs '000
At 1 July 2018	582,718	(260,175)	322,543
Decrease during the year	(6,113)	32,575	26,462
At 30 June 2019	576,605	(227,600)	349,005
(Decrease)/increase during the year	(121,225)	32,931	(88,294)
At 30 June 2020	**455,380**	**(194,669)**	**260,711**

42 (b). NET CLAIMS INCURRED

The GROUP	2020 Gross Rs '000	2020 Reinsurance Rs '000	2020 Net Rs '000	2019 Gross Rs '000	2019 Reinsurance Rs '000	2019 Net Rs '000
Net claims incurred	**815,316**	**(431,055)**	**384,261**	963,379	(545,988)	417,391

43. PRIOR YEAR ADJUSTMENT

During the year ended 30 June 2020, the Company and the Group have booked prior year adjustments and these changes have been applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The prior adjustment relates to a loan receivable from Manser Contracting Limited which is not recoverable. The loan was accounted under trade and other receivables at year ended 2018 and was subsequently accounted under non-current receivables at year end 2019 after assessment of its repayment capacity over the next year.

The effect of these restatements is detailed as follows:

The Company

IBL Ltd

IBL Ltd has booked a prior year adjustment and adjusted its trade and other receivables for the year 2018 and non-current receivables for the year 2019 impacting retained earnings as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Trade and other receivables	1,808,102	(333,900)	1,474,202
Retained earnings	(6,404,575)	333,900	(6,070,675)
		2019	
Non-current receivables	946,655	(368,664)	577,991
Retained earnings	(6,211,475)	368,664	(5,842,811)
Statement of profit and loss		2019	
Expected credit losses	-	41,441	41,441
Statement of cash flows		2019	
Profit before tax	(522,168)	41,441	480,727
Adjustments to profit before tax in cash flows:			
Movement in non-current receivables	1,020,155	(41,441)	978,714
Cash generated from operations	278,564	-	278,564

There are no tax implications on the prior year adjustments above.

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)

	2019
Basic and diluted:	
- From continuing and discontinued operations	(61)

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group

Manser Saxon Dubai LLC

During the current financial year, the Group noted that one of its subsidiaries, Manser Saxon Dubai had provided erroneous financial information with respect to its trade receivables over a number of years. These balances have been determined as being not substantiated and thus are not recoverable. Due to the non recoverability of these balances, the Group have adjusted the trade and other receivables impacting their retained earnings.

Manser Saxon Dubai LLC has booked a prior year adjustment and adjusted its trade and other receivables impacting retained earnings and non controlling interest for the years 2018 and 2019 as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Trade and other receivables	7,023,433	(428,770)	6,594,663
Retained earnings	(10,075,254)	396,612	(9,678,642)
Non-controlling interests	(11,452,714)	32,158	(11,420,556)
		2019	
Trade and other receivables	6,813,114	(455,637)	6,357,477
Retained earnings	(9,672,518)	421,464	(9,251,054)
Non-controlling interests	(11,522,589)	34,173	(11,488,416)
Statement of profit or loss		2019	
Expected credit losses	-	26,867	26,867
Statement of cash flows		2019	
Profit before tax from continuing operations	(1,781,472)	26,867	(1,754,605)
Adjustments to profit before tax in cash flows:			
Movement in non current receivables	170,306	(26,867)	143,439
Cash generated from operations	3,272,822	-	3,272,822

There are no tax implications on the prior year adjustments above.

The prior year adjustment relates to work in progress which was not substantiated and thus incorrectly recorded on the balance sheet. Manser Saxon Dubai LLC has ceased its operation during the year.

	2019
Basic and diluted:	
- From continuing and discontinued operations	(39.50)

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

BlueLife Limited

(i) Buildings being rented to Haute Rive Azuri Hotel Ltd and Haute Rive PDS Company Ltd by Haute Rive Holdings Ltd, which are subsidiaries of Bluelife Limited, are classified under investment properties in the Group's financial statements. At Group level, the properties are considered as 'owner occupied' and should have been reclassified to property, plant and equipment as per the requirements of IAS 40. The incorrect classification of these buildings under investment property was misstated. Hence, the financials are being restated to incorporate this correction of error from investment property to plant, property and equipment.

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Property, plant and equipment	26,532,127	140,080	26,672,207
Investment property	2,446,108	(139,579)	2,306,529
Retained earnings	(10,075,254)	(501)	(10,075,755)
		2019	
Property, plant and equipment	26,266,524	137,073	26,403,597
Investment property	3,029,417	(136,631)	2,892,786
Retained earnings	(9,672,518)	(442)	(9,672,960)
Statement of profit or loss		2019	
Administrative expenses (Note A)	9,688,991	60	9,689,051
Statement of cash flows		2019	
Profit before tax before tax from continuing operations	(1,781,472)	60	(1,781,412)
Adjustments to profit before tax in cash flows:			
Depreciation and impairment of property, plant and equipment	1,679,761	3,007	1,682,768
Fair value of investment property	(50,483)	(2,947)	(53,430)
Cash generated from operations	3,272,822	-	3,272,822

There are no tax implications on the prior year adjustments above.

	2019
Basic and diluted:	
- From continuing and discontinued operations	-

Notes to the Financial Statements for the year ended 30 June 2020

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

BlueLife Limited (Continued)

(ii) Previously, the Group provided for future capital project expenditure. Provisions for the future capital project expenditure do not meet the definition of a provision as there is no present obligation arising from past event that will result in an outflow of future economic benefits. The provision has now been reversed.

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Trade and other payables	(6,548,199)	8,573	(6,539,626)
Retained earnings	(10,075,254)	(5,278)	(10,080,532)
Non-controlling interests	(11,452,714)	(3,295)	(11,456,009)
		2019	
Trade and other payables	(6,564,709)	16,929	(6,547,780)
Retained earnings	(9,672,518)	(10,473)	(9,682,991)
Non-controlling interests	(11,522,589)	(6,456)	(11,529,045)
Statement of profit or loss		2019	
Administrative expenses (Note A)	9,688,991	(8,356)	9,680,635
Statement of cash flows		2019	
Profit before tax before tax from continuing operations	(1,781,472)	(8,356)	(1,789,828)
Working capital adjustments:			
Movement in trade and other payables	921,067	(8,356)	912,711
Cash generated from operations	3,272,822	-	3,272,822

There are no tax implications on the prior year adjustments above.

	2019
Basic and diluted:	
- From continuing and discontinued operations	12

Notes to the Financial Statements for the year ended 30 June 2020

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

BlueLife Limited (Continued)

(iii) The marketing costs have been incorrectly capitalised since inception. However, as per the definition of IAS 2 criteria, marketing costs are considered as part of selling cost and should be excluded from the cost of inventory and are expensed as incurred. Since impact is quantitatively and qualitatively material, this has resulted to a correction of a prior period error.

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Retained earnings	(10,075,254)	24,554	(10,050,700)
Inventories	4,306,854	(24,554)	4,282,300
		2019	
Retained earnings	(9,672,518)	55,241	(9,617,277)
Inventories	4,933,829	(55,241)	4,878,588
Statement of profit or loss		2019	
Cost of sales	26,949,766	30,687	26,980,453

There are no tax implications on the prior year adjustments above.

Statement of cash flows		2019	
Profit before tax before tax from continuing operations	(1,679,761)	30,687	(1,649,074)
Working capital adjustments:			
Movement in inventories	(637,150)	30,687	(606,463)
Cash generated from operations	3,272,822	-	3,272,822

	2019
Basic and diluted:	
- From continuing and discontinued operations	(45)

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

BlueLife Limited (Continued)

(iv) Non-financial assets relating to prepayments not meeting the IAS 32-Financial Instruments criteria were accounted under other financial assets at amortised cost. The incorrect classification of these receivables under Financial assets at amortised cost constitutes an error. Hence, the financials are being restated to incorporate this correction of error.

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2019	
Other financial assets	518,466	(32,738)	485,728
Trade and other receivables (prepayments)	6,813,114	32,738	6,845,852

There is no effect on the statement of profit or loss and the statement of cash flows as a result of the above adjustment at 30 June 2019.

There are no tax implications on the prior year adjustments above.

There is no effect on basic or diluted earnings per share (EPS)

(v) Non-controlling interests in the Group financial statements were overstated by Rs 26,080,000 due to a consolidation adjustment accounted twice. This error has been corrected in current year's financial statements.

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2019	
Revaluation reserves	(5,211,994)	26,080	(5,185,914)
Non-controlling interests	(11,522,589)	(26,080)	(11,548,669)

There is no effect on the statement of profit or loss and the statement of cash flows as a result of the above adjustment at 30 June 2019.

There are no tax implications on the prior year adjustments above.

There is no effect on basic or diluted earnings per share (EPS).

Notes to the Financial Statements for the year ended 30 June 2020

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

IBL Ltd – Investment in associates

The Group has restated its financial statements in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to correct an error identified during the year ended 30 June 2020 on the equity accounting method used for one of its associate, AfrAsia Bank Limited under IAS 28, Investment in Associates. The Group has reflected these adjustments as a restatement in its financial statements.

The error identified are in relation to the dividend paid to Class A shareholders issued by the bank during the year ended 30 June 2014 which should be adjusted in the Group share of profit or loss for the year as the Group does not hold Class A shareholders.

The effect of the restatements on the financial statements of the Group are as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Investment in associates	8,970,920	(149,044)	8,821,876
Retained earnings	(10,075,254)	149,044	(9,926,210)
		2019	
Investment in associates	9,132,381	(193,599)	8,938,782
Retained earnings	(9,672,518)	193,599	(9,478,919)
Statement of profit or loss		2019	
Share of profit of associate	(455,492)	44,555	(410,937)
Statement of cash flows		2019	
Profit before tax before tax from continuing operations	(1,679,761)	44,555	(1,635,206)
Adjustments to profit before tax in cash flows:			
Share of results from associate	(455,492)	44,555	(410,937)
Cash generated from operations	3,272,822	-	3,272,822

There are no tax implications on the prior year adjustments above.

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

The Group (Continued)

IBL Ltd – Investment in associates (Continued)

Net effect of all prior year adjustments on equity is as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
Statement of financial position		2018	
Retained earnings	(10,075,254)	564,431	(9,510,823)
Non-controlling interests	(11,452,714)	28,863	(11,423,851)
		2019	
Retained earnings	(9,672,518)	659,389	(9,013,129)
Non-controlling interests	(11,522,589)	1,636	(11,520,953)

	2019
Basic and diluted:	
- From continuing and discontinued operations	(65.50)

Expected Credit Loss

Expected credit losses have been disclosed on the face of the statement of profit or loss (previously the expected credit loss was included in administrative expenses and other gains and losses) and comparative figures have been restated accordingly as follows:

The Company

The effect of the restatements on the financial statements of the Company are as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
		2019	
Administrative expenses	1,444,917	(6,939)	1,437,978
Other gains and losses	166,708	(11,082)	155,626

There are no tax implications on the prior year adjustments above.
There is no effect on basic or diluted earnings per share (EPS).

Notes to the Financial Statements for the year ended 30 June 2020

43. PRIOR YEAR ADJUSTMENT (CONTINUED)

Expected Credit Loss (Continued)

The Company (Continued)

The effect of the restatements on the financial statements of the Group are as follows:

Dr/(Cr)	As previously stated Rs'000	Adjustments Rs'000	As re-stated Rs'000
		2019	
Administrative expenses (Note A)	9,688,991	18,985	9,707,976
Other gains and losses	(15,202)	13,430	(1,772)

There are no tax implications on the prior year adjustments above.
There is no effect on basic or diluted earnings per share (EPS).

Note A:
The cumulative effect of the above adjustments on administrative expenses amounted to an increase of Rs 37.5 million. This amount, together with the reclassification of Rs 156.1 million of administrative expenses pertaining to Manser Saxon Group to held for sale, result in a Group administrative expenses being restated from Rs 9.69 billion to Rs 9.71 billion as disclosed in Statement of Profit or Loss.

44. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	2020 Rs'000	2019 Rs'000
Statements of profit or loss and other comprehensive income		
Revenue	**36,809,312**	39,050,468
Share of results of associates and joint ventures	**568,435**	441,306
(Loss)/Profit before taxation	**(1,267,468)**	1,761,652
Income tax charge	**(136,560)**	(427,748)
(Loss)/Profit for the year from continuing operations	**(1,404,028)**	1,333,904
Loss for the year from discontinued operations	**(22,124)**	(32,061)
(Loss)/Profit for the year	**(1,426,152)**	1,301,843
Other comprehensive income/(loss) for the year, net of tax	**318,455**	(472,728)
Total comprehensive (loss)/income for the year	**(1,107,697)**	829,115
(Loss)/Profit attributable to:		
- Owners of the parent	**(1,191,133)**	339,784
- Non-controlling interests	**(235,019)**	962,059
	(1,426,152)	1,301,843
Total comprehensive (loss)/income attributable to:		
- Owners of the parent	**(1,014,730)**	59,463
- Non-controlling interests	**(92,967)**	769,652
	(1,107,697)	829,115
Dividend	**414,937**	523,773

44. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP (CONTINUED)

	2020 Rs'000	2019 Rs'000
Statements of financial position		
Assets		
Non-current assets	**49,537,836**	43,032,612
Current assets	**15,824,360**	16,001,032
Non-current assets classified as held for sale	**921,518**	699,384
Total assets	**66,283,714**	59,733,028
Equity and liabilities		
Share capital and reserves	**14,063,455**	15,565,984
Non-controlling interests	**11,097,260**	11,520,953
Total equity	**25,160,715**	27,086,937
Liabilities		
Non-current liabilities	**22,250,152**	14,140,432
Current liabilities	**18,430,991**	18,079,811
Liabilities associated with assets classified as held for sale	**441,856**	425,848
Total liabilities	**41,122,999**	32,646,091
Total equity and liabilities	**66,283,714**	59,733,028

45. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting date which require adjustments or additional disclosures in the financial statements for the Company. As for the Group, the following subsequent events were noted which did not result in any adjustments to the figures as at reporting date:

(a) Lux* Island Resorts Ltd

Waiver of financial covenants and rescheduling of repayment of loans by the commercial banks

As more fully explained in Note 17, the Group has obtained confirmation from its bankers about rescheduling of repayment of loans up to 30 June 2021 for most loans of Mauritius and Maldives entities. As at the date of reporting, the Group has received written confirmation from 3 banks and the 2 other banks have confirmed verbally the deferment of capital repayment up to 30 June 2021, while interest will continue to be accrued.

Signature of the Term Sheet with the Mauritius Investment Corporation (MIC)

The Company and MIC have on 18 September 2020 signed a term sheet pursuant to which MIC has committed to subscribe to redeemable and convertible secured bonds (the "Bonds") having a nominal value of Rs 10 million each to be issued by the Company for a total subscription amount of Rs 1 billion. The Bonds will carry a fixed interest rate and interest will be payable twice yearly. The Bonds will mature on the ninth (9th) anniversary of the first subscription date of Bonds by MIC. The proceeds from the Bonds issue will be used principally for the working capital requirements of the Group's Mauritian operations and payment of interests due and payable in respect of the Group's existing indebtedness with commercial banks.

45. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(a) Lux* Island Resorts Ltd (Continued)

Term loans from the commercial banks

The Group has already secured a term loan of USD 7.8 million for the Maldives entity and a Government sponsored loan of Rs 160 million for its hotels based in Mauritius. These loans coupled with operational income and MIC financing will be sufficient to enable the Group to meet all its commitments during the financial year 2021.

Sale of Hotel Le Recif

As more fully explained in Note 13, on 1 August 2020, the Group has finalised the sale of Hotel Le Recif, in Réunion Island for a total proceeds of EUR 9 million. Part of the proceeds as per the deed of sale representing EUR 7 million has already been paid by the acquirer. This money will be used to finance any shortfall that might arise in case the above financing is not sufficient.

(b) BlueLife Limited

Circle Square Holding Ltd

The sale of the investment property of Circle Square Holding Company Ltd is expected to be completed by end of year. Contracts amount to Rs 155 million have already been signed. As at date of approval of these financial statements, the administrative procedures to transfer the legal ownership of the property to the buyers were not yet completed.

Sale of land

The sale of land at Piton, relating to investment properties held by the Company, has been completed for an amount of Rs 12 million. The sale of the industrial building and the plot at Harbour Front is expected to be completed by end of financial year.

Term loans from the Commercial Banks

Additional bank overdraft facilities amounting to Rs 100 million have been approved by the banking institutions and the loans provided by financial institutions have been provided for moratoriums up to March 2021.

Loan	Original loan amount	Payment terms as per agreement	Capital repayment due at 30 June 2020	Moratorium approved after year end on capital and interest up to
Afrasia loan - Haute Rive Holdings Ltd	219,000,000	Quarterly	61,231,997	Mar-21
MCB - Haute Rive Azuri Hotel Ltd	195,000,000	Quarterly	5,000,000	Mar-21
SBM - Haute Rive Azuri Hotel Ltd	195,000,000	Quarterly	9,000,000	Mar-21
MCB - PL Resort Ltd	320,424,285	Quarterly	22,500,000	Mar-21
Afrasia loan - Circle Square Holding Company Ltd	300,000,000	Quarterly	18,284,695	Mar-21
ABC loan - Circle Square Holding Company Ltd	50,000,000	Monthly	3,023,625	Mar-21

(c) On 15 July 2020, Eagle Insurance Limited has been delisted from the Stock Exchange of Mauritius.

45. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(d) The Lux Collective Ltd

Subsequent to year end, management of The Lux Collective Ltd ('TLC') has secured a loan of Rs 250 million from one commercial bank, with a 24 months moratorium period and a term sheet has already been agreed between the parties. The loan is subject to a guarantee provided by the Company. Parallel to this, TLC has also obtained approval from its main shareholders to proceed with a rights issue of Rs 175 million.

(e) Covid-19 Outlook

Financial year 2020 was marked by the Covid-19 pandemic which affected all areas of the economy and brought about a high level of uncertainty. IBL Group operated under reasonably normal business circumstances until mid-March and the ensuing lockdown. The Group's operations have subsequently been severely impacted and a proper risk assessment has been carried out by Management. The below sectorial review aims to give an insight into our expectations for each industry our businesses operate in, amid a sluggish economic recovery.

Building and Engineering

While all works on construction sites came to a halt during the lockdown, operations have resumed since, albeit not to normal levels of activities. Official statistics estimate a 20% contraction for the construction and low private investment going forward which should affect United Basalt Products Ltd ('UBP') which is one of the largest company in the building and engineering cluster and other entities in the contracting businesses as a whole. All companies have however, taken measures (such as cost reduction initiatives) to overcome this challenging business environment.

Although assessing the medium to long term effect of the pandemic is difficult, UBP and Manser Group have posted better results than last year in the first quarter. Based on the unaudited accounts for the 3 months ended 30 September 2020, UBP reported an operating profit of Rs 131 million which is 26.1% better when compared to the same period in the prior year. This improvement is attributable to their core business segment whose operating profit increased by 40.1%. With an expected contraction in business, the companies in the Manser Group would still have enough cash and undrawn bank facilities to meet their obligations with the exception of Manser Saxon Contracting Ltd ('MSCL') which is currently negotiating with its main banker for additional capital funding for working capital requirements. There was also a recapitalisation of debt due by MSCL to IBL Ltd to improve the financial position of the Company. Chantier Navale de L'Ocean Indien Limited ('CNOI') is unable to welcome new ships to its shipyard as crews are unable to fly home due to travel restrictions. However, the Company has enough cash and cash equivalents to meet its working capital requirements in the foreseeable future.

Commercial and Distribution

Many of the Group's businesses are classified as "frontliners" and contributed fully in the national endeavour to fight the pandemic. The retail businesses should continue to perform to expectations. This sector posted an increase in turnover but reported a lower operating profit compared to last year partly due to higher costs of operation and a shift in buying behaviour during the lockdown. PhoenixBev was adversely affected by production, sale and distribution constraints during the lockdown months, exacerbated by the fact that most "HORECA" clients (Hotels, Restaurants and Cafés) remained closed for the rest of the financial year. Post year end, the Companies in this sector have posted revenue and profits growth as compared to the same period in the prior year and are expected to have a stable performance. The Companies in the commercial and distribution cluster have enough funding to meet their obligations and they are expected to generate profits from operations.

Financial Services

The most impacted company within this cluster is the private equity firm, The Bee Equity Partners Ltd ('The Bee'). The performance of The Bee reflects the adverse impact of the pandemic on financial markets, with lower dividend declared by companies and stock market valuations taking a hit. AfrAsia's loan portfolio remains strong but remains at risk of provisioning for higher expected credit losses ('ECL'). The Group expected its share of profit after tax in AfrAsia to increase in the ensuing quarter after year end. This is confirmed by results for its first quarter made public by the bank. The Bee took the most of the hit on its fair value on investments in FY2020. No significant drop was observed in the fisrt quarter, it lost Rs 6 million on its fair value through profit and loss.

Notes to the Financial Statements for the year ended 30 June 2020

45. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(e) Covid-19 Outlook (Continued)

Hospitality and Services

Our hospitality activities were on track to register excellent results. However, they felt the impact of booking cancellations as soon as Italy and subsequently France came into the limelight with high Covid-19 infection rates. Most of our major markets then went into lockdown by March 2020 and our own borders were closed leading to hotel closures for the rest of the financial year. They are still largely closed as at date. Réunion and Maldives operations have reopened in July and August respectively and recently 3 hotels partially reopened in Mauritius for local residents only. Turnover for the cluster and operating profit have gone down by 23% and 76% respectively. Goodwill impairment for properties in Maldives and a significant increase in provisions against debtors have compounded the impact of this sector on the Group's results.

Furthermore, financing has been secured from commercial bank and the Mauritius Investment Corporation Ltd (MIC). The Group obtained confirmation from its bankers about rescheduling its repayment of loans up to 30 June 2021 for majority of its loans. The Group finalised the sale of a hotel in Réunion Island for EUR 9 million and the proceeds will be used to finance any shortfall that might arise in case the above financing is not sufficient.

Until such time borders are opened in an unrestrained manner and the major sourcing market namely Europe gets control over the pandemic, the hospitality cluster will continue to be loss making. Based on the audited accounts for the first quarter ended 30 September 2020, Lux* Island Resorts ('LIR') made a loss of Rs 365 million compared to a loss of Rs 83 million for the same quarter a year ago. The assessment for the goodwill impairment on the Mauritian operations have been made based on a staggered re-opening of hotel that straddles to June 2021. No material adjustment is expected on the carrying amount of the goodwill post year end as the on-going adverse effects of the pandemic and closed borders were considered as part of the impairment calculation at 30 June 2020. Should the recovery of the hotel operations be slower than anticipated, additional impairment may be needed upon goodwill annual impairment review.

Seafood

Results for Seafood companies were relatively stable year on year despite the closure of factories during the lockdown period. Many of our products were considered basic commodities and exporters have benefitted from favourable exchange rates. This sector has proven to be resilient and bounced back quickly post lockdown. Business volumes and profits for the first quarter in FY 2021 have resumed to almost same level to same quarter in FY 2020 and the seafood companies are expected to have a stable performance.

Property

The two main companies within the cluster are Bloomage and BlueLife. The occupancy level for properties managed by Bloomage remains high and is not expected to change drastically. Tenants have nonetheless started negotiations for temporary rental rebates. BlueLife has been more affected by Covid given its main business lines include hotel operations and property development. On the property segment, the impact relies more towards the ability of foreign buyers to come and visit. The pandemic has delayed the beginning of construction works on BlueLife's current projects and the recognition of profits towards profit or loss.

Post year end, the performance of Bloomage confirms that this business is least affected by Covid-19 given that both revenues and operating profits were higher in the first quarter of FY 2021 compared to FY 2020. Visibility on the recovery of the hotel segment of BlueLife will be in same trend as Lux* Island Resorts (refer to the hospitality and services section above). On the property segment, the impact relies more towards the ability of foreign buyers to come and visit. The consequence is further delays in starting the construction of our current projects and the recognition of profits towards profit or loss. Management has availed themselves all forms of possible assistance to mitigate the risks with the loan liabilities and shortfall in working capital. These include loan moratoriums with the banks and wage assistance schemes from the government. Management is also in the process of disposing non-core activities and is considering other initiatives including capital raising measures to support the entity up to FY 2023.

Notes to the Financial Statements for the year ended 30 June 2020

45. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(e) Covid-19 Outlook (Continued)

Logistics

The cluster is made of 3 sub-segments, namely, aviation, shipping and freight and warehousing services. Aviation operations are at a stand still due to the lack of commercial flights and are expected to be heavily impacted by travel bans and low air traffic. Freight and warehousing services are affected by the slow economic recovery with business volumes forecasted to decline compared to previous years. As long as aviation businesses do not resume, all aviation related activities, like ground handling and cargo forwarding and clearing activities will suffer and it would not be possible to quantify the impact on revenue and profits as at this date. Management has applied for financial assistance from the MIC with respect to the aviation operations. For the other segments, management has implemented various cost review exercises and monitoring of debtors to ensure cash flows are adequate for the business.

Shipping nonetheless posted better results overall with the addition of a new vessel to the fleet during the year.

Life and Technologies

The laboratories of Centre International de Développement Pharmaceutique ('CIDP') have temporarily stopped during the lockdown. CIDP operates in several geographical locations around the world and so far, lockdown and prevailing difficult economic conditions have adversely impacted bottom-line. The company has triggered cost reduction initiatives to mitigate the effects of Covid on its results. This cluster operating in wellness product will continue to be hard-hit, the impact on revenue and profits will be hard to quantify.

Agro and Energy

Alteo's sugar segment's exposure to the effects of the pandemic is limited. Overall, results for this financial year show a marked improvement over last year which had seen significant levels of impairment in the Sugar and Energy businesses.

The disruptions caused by Covid-19 will nonetheless deeply affect the activities of Anahita Golf Club and Anahita Golf and Spa Resort. After the year end, Alteo finalised the sales deeds for serviced plots at Anahita, initially planned for the previous financial year, resulted in higher property revenues for the first quarter. Group share of Alteo's first quarter profit has increased resulting from better performance on the back of higher average sugar prices as well as better off take in the energy sector.

Future Outlook

Although the effects of the pandemic will be long lasting and have impacted all players within the economy here in Mauritius and abroad, the directors are confident that IBL's portfolio of diverse investments will enable the Group to get through these tough challenges successfully.

The directors are of the opinion that it is difficult to assess the potential future wider consequences (including a global, regional or other economic recession). Hence, it is difficult to quantify the overall outcome and impact of Covid-19 at this stage.

Annex

Annex

Materiality

IBL's materiality assessment is based on the consolidated results of materiality studies completed by 70% of the Group's main companies. The materiality process and its main findings are described below.

1. **Prioritisation:** Each management team prioritised the economic, social and environmental impacts of their activities from a sustainability standpoint (short and long-term), based on Global Reporting Initiative (GRI) Topics. This included both negative impacts and their main contributions towards the United Nations Sustainable Development Goals.
2. **Stakeholder identification and selection:** Internal and external stakeholders were identified by each management team by mapping the business' value chain. Key stakeholders were identified based on their importance to the business, ability to add value, and capacity to influence the business' decision-making.
3. **Stakeholder dialogue and concerns:** Stakeholders were then invited to attend focus groups and asked to score each business' performance against their expectations regarding sustainability issues. Consensual scoring was used following guided discussions. Certain businesses carried out online surveys instead of focus groups.
4. **Materiality matrix:** Each company created a matrix to identify sustainability topics that reflect their most significant economic, environmental, and social impact; and/or that substantively influence the assessments and decisions of stakeholders.
5. **Link to SDGs:** Based on their results, each business identified how their particular sustainability topics support the SDGs.
6. **IBL Group materiality topics:** This is the first year that IBL is reporting based on GRI standards. We initially identified our Group-level GRI material issues based on topics that recur in several Group companies. We then identified additional issues that are material based on IBL's mission, ambitions and activities, our operating context and headquarters in a Small Island Developing State (SIDS) and the challenge of climate change. These additional issues include gender diversity and inclusion as well as our businesses' carbon footprint, among others.
7. **Re-assessing and updating our materiality:** We will update our materiality assessment in the coming months and years to refine our analysis and take into account emerging issues (such as the Covid-19 pandemic) and material changes to our operating context.

GRI and SDG Disclosures Index

GRI General Disclosures	Disclosure	IBL IR section	Link to SDGs
GRI 102- General Disclosures 2016	**1. Organizational profile**		
	102-1 Name of the organization	Cover	
	102-2 Activities, brands, products, and services	At a Glance, Performance Review	
	102-3 Location of headquarters	At a Glance	
	102-4 Location of operations	At a Glance	
	102-5 Ownership and legal form	Governance	
	102-6 Markets served	At a Glance, CSR, annual reports for each listed IBL company	
	102-7 Scale of the organization	At a Glance, Performance, Financial Statements	
	102-8 Information on employees and other workers	At a Glance, Human Capital	8, 10
	102-9 Supply chain	Business Model, annual reports for each listed IBL company	
	102-10 Significant changes to the organization and its supply chain	CEO's Report, CFO's Report, Performance Review	
	102-11 Precautionary Principle or approach	Risk Management, Sustainability	
	102-12 External initiatives	About this report, Human Capital	
	102-13 Membership of associations	Not applicable - no Group-level policy with regard to representation in external associations	
	2. Strategy		
	102-14 Statement from senior decision-maker	Chairman's Statement, CEO's Report	
	102-15 Key impacts, risks, and opportunities	Stakeholder Engagement, Risk Management	
	3. Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	Governance, Stakeholder, information about values available on IBL website	16
	102-17 Mechanisms for advice and concerns about ethics	Information unavailable: both the data collection process and its consolidation need to be established at Group level	16
	4. Governance		
	102-18 Governance structure	Governance	
	102-19 Delegating authority	Governance	
	102-20 Executive-level responsibility for economic, environmental, and social topics	CEO's Report, Organisational Structure	
	102-21 Consulting stakeholders on economic, environmental, and social topics	Governance - particular focus on shareholders	16
	102-22 Composition of the highest governance body and its committees	Governance	5, 16
	102-23 Chair of the highest governance body	Governance	16
	102-24 Nominating and selecting the highest governance body	Governance	5, 16
	102-26 Role of highest governance body in setting purpose, values, and strategy	Governance - particular focus on strategy	
	102-27 Collective knowledge of highest governance body	Governance	
	102-28 Evaluating the highest governance body's performance	Governance	
	102-29 Identifying and managing economic, environmental, and social impacts	Risk Management, Sustainability, Materiality	16
	102-30 Effectiveness of risk management processes	Risk Management, Governance	
	102-35 Remuneration policies	Information about executive and non-executive pay available in Governance and Financial Statements	
	102-36 Process for determining remuneration	Human Capital	
	5. Stakeholder engagement		
	102-40 List of stakeholder groups	Stakeholder Engagement	
	102-41 Collective bargaining agreements	Human Capital	8
	102-42 Identifying and selecting stakeholders	Materiality	
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	
	102-44 Key topics and concerns raised	Stakeholder Engagement, Materiality	
	6. Reporting practice		
	102-45 Entities included in the consolidated financial statements	Financial Statements	
	102-46 Defining report content and topic Boundaries	About this Report, Annex - GRI Material Topics	
	102-47 List of material topics	Annex - GRI Material Topics	
	102-48 Restatements of information	Financial Statements	
	102-49 Changes in reporting	Not applicable - first year of reporting on GRI material topics	
	102-50 Reporting period	About this Report	
	102-51 Date of most recent report	First GRI-aligned integrated report	
	102-52 Reporting cycle	About this Report	
	102-53 Contact point for questions regarding the report	About this Report	
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report	
	102-55 GRI content index	About this Report	
	102-56 External assurance	Financial Statements - Independent Auditors' Report	

Annex

GRI General Disclosures	Disclosure	IBL IR section	Link to SDGs
GRI 103 Management Approach 2016	103-1 Explanation of Material Topics and Boundaries	See Materiality for information about how IBL's Material Topics were identified. This is the first year that IBL has identified and is reporting on these Material Topics. We continue to work on defining their scope and boundary, particularly with regard to environmental disclosures. The Group's Material Topics have been identified as: Economic Performance (Group-level consolidation) Energy (Group-level consolidation TBC) Emissions (Group-level consolidation TBC) Waste (Group-level consolidation TBC) Employment (IBL Corporate Centre and Operations) Occupational Health & Safety (IBL Corporate Centre and Operations) Training & Education (IBL Corporate Centre and Operations) Diversity & Equal Opportunity (IBL Corporate Centre and Operations) Non-Discrimination (Group-level consolidation TBC) Local Communities (Group-level consolidation)	
	103-2 The management approach and its components	Economic Performance: CFO's Report and Financial Statements Energy, Emissions, Waste: Sustainability Employment, Occupational Health & Safety, Training & Education, Diversity & Equal Opportunity, Non-Discrimination: Human Capital Local Communities: CSR	
	103-3 Evaluation of the management approach	Economic Performance: Financial Statements - Independent Auditor's report Energy, Emissions, Waste: Not yet available (first year of reporting on these topics) Employment, Occupational Health & Safety, Training & Education, Diversity & Equal Opportunity, Non-Discrimination: Human Capital (see information about Great Place to Work survey, market remuneration survey) Local Communities: Not yet available (first year of reporting on these topics)	
GRI 201 Economic Performance 2016	201 - 1 Direct economic value generated and distributed	Financial Statements	8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, Sustainability	13
	201-3 Defined benefit plan obligations and other retirement plans	A pension plan exists for most companies. The plan consists of a Defined Benefit scheme and a Defined contribution. The plan is partly contributive. The employees' share varies between 3% and 8% of basic salary while the employer's share varies between 5% and 13% in certain cases. The plan provides a pension as from the age of 60.	

GRI General Disclosures	Disclosure	IBL IR section	Link to SDGs
	201-4 Financial assistance received from government	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
GRI 302 Energy 2016	302-1 Energy consumption within the organization	KWH 37,798,456 (excluding G2A, Somatrans, IBL Shipping and Eagle)	8, 13 7, 12
	302-2 Energy consumption outside of the organization	Not applicable: boundaries not yet defined	
	302-3 Energy intensity	Information not available: intensity ratio at Group level not yet defined	
	302-4 Reduction of energy consumption	Sustainability (partial response)	
	302-5 Reduction in energy requirements of products and services	Not applicable: not material at Group Level	
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Information unavailable: both the data collection process and its consolidation need to be established at Group level	13 3, 7, 12, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	305-3 Other indirect (Scope 3) GHG emissions	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	305-4 GHG emissions intensity	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	305-5 Reduction of GHG emissions	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable: not material at Group Level	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Not applicable: not material at Group Level	
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Information unavailable: both the data collection process and its consolidation need to be established at Group level	13 3, 12
	306-2 Management of significant waste-related impacts	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	306-3 Waste generated	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	306-4 Waste diverted from disposal	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	306-5 Waste directed to disposal	Information unavailable: both the data collection process and its consolidation need to be established at Group level	

Annex

GRI General Disclosures		Disclosure	IBL IR section	Link to SDGs
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	Human Capital	8 3, 5, 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Most companies that provide a pension plan also offer associated life insurance. Nearly all employees have 24h accident cover as well as the option to join a medical scheme. No stock options or ownership are given to employees except certain executives in very rare cases.	
	401-3	Parental leave	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
GRI 403 Occupational Health & Safety 2018	403-1	Occupational health and safety management system	Human Capital (partial response)	8 3, 16
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital (partial response). A risk assessment is carried out every two years and updated on a yearly basis, in line with the 2005 Operational Health and Safety Act. Control measures are recommended for risky activities. Safety and Health Committees meet every two months, with actions followed up on according to a priority matrix. Health & Safety policies have been defined and applied throughout the group. Regular training sessions are conducted throughout the year. Accident report policies are applied and data is collected for compliance purposes as well as to mitigate risks.	
	403-3	Occupational health services	Not applicable: not material at Group Level	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital (partial response). IBL Operations with more than 50 employees convene a Safety & Health committee at least once every two months, with the participation of both employees and employer representatives.	
	403-5	Worker training on occupational health and safety	Human Capital (partial response). Each new employee receives induction-related training covering legally required and work related-safety & health practices.	
	403-6	Promotion of worker health	Human Capital, IBL's Response to Covid-19	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk assessements are perfomed to identify key hazards. Control measures are implemented to minimise those hazards as far as is reasonably practicable. Periodic inspections are then carried out and reported on, to ensure that continuous action is taken to eliminate or minimise the risk of an accident.	
	403-8	Workers covered by an occupational health and safety management system	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
	403-9	Work-related injuries	Human Capital (partial response) and individual annual reports for IBL Operations, Subsidiaries and Associates	8 3, 16
	403-10	Work-related ill health	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
GRI 404 Training & Education 2016	404-1	Average hours of training per year per employee	Human Capital	8 4, 5, 10
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	
	404-3	Percentage of employees receiving regular performance and career development reviews	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
GRI 405 Diversity & Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	At A Glance, Governance (Partial response - disclosure by gender only)	8 5, 10
	405-2	Ratio of basic salary and remuneration of women to men	Information unavailable: both the data collection process and its consolidation need to be established at Group level	
GRI 406 Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Information unavailable: both the data collection process and its consolidation need to be established at Group level	8, 5
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Human Capital, CSR (partial response)	1 2, 4, 5, 10, 11
	413-2	Operations with significant actual or potential negative impacts on local communities	Information unavailable: both the data collection process and its consolidation need to be established at Group level	

Shareholders' Corner

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of the Shareholders of IBL Ltd ("the Company") will be held at the registered office of the Company, 1st Floor IBL House, Caudan Waterfront, Port Louis, on Wednesday, 30 December 2020 at 9:30 am to transact the following business:

Agenda

1. To receive, consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.

   Ordinary Resolution
   "Resolved that the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditors' Report, be hereby approved."

2. To appoint Mrs. Isabelle de Melo who has been nominated as Director by the Board and who offers herself for election.

   Ordinary Resolution
   "Resolved that Mrs. Isabelle de Melo be hereby elected as Director of the Company."

3. To re-elect on the recommendation of the Board, Mr. Pierre Guénant who offers himself for re-election to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.

   Ordinary Resolution
   "Resolved that Mr. Pierre Guénant be and is hereby re-elected as Director of the Company until the next Annual Meeting."

4. To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2021 and to ratify the fees paid to the Directors for the year ended 30 June 2020.

   Odinary Resolution
   "Resolved that the remuneration of the Directors of IBL Ltd for the year ending 30 June 2021 be fixed and the fees paid to the Directors for the year ended 30 June 2020 be hereby ratified."

5. To take note of the automatic re-appointment of Messrs. Ernst & Young as Auditors of the Company for the year ending 30 June 2021, in accordance with Section 200 of the Companies Act 2001, and to authorise the Board to fix their remuneration.

6. To ratify the remuneration paid to the Auditors for the year ended 30 June 2020.

   Ordinary Resolution:
   "Resolved that the remuneration paid to the Auditors for the year ended 30 June 2020 be and is hereby ratified."

By Order of the Board

Doris Dardanne, FCG (CS)
Per IBL Management Ltd
Company Secretary

08 December 2020

Notes:

1. A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. The instrument appointing a **proxy** or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry, Sir William Newton Street, Port Louis, by **Tuesday, 29 December 2020** at **9:30 am** and, in default, the instrument of proxy shall not be treated as valid.
3. 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 who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 3 December 2020.
4. The profiles and categories of directors proposed for election and re-election are set out in the Integrated Report.
5. The minutes of the Annual Meeting to be held on 30 December 2020 will be available for consultation and comments during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis, from 1 February to 15 February 2021.
6. **Shareholders, who have opted for electronic communication, will receive the Notice of Annual Meeting, Proxy Form and the Integrated Report, on the email address that they have already provided, on the same date the Notice of Annual Meeting is published in the press.**
7. **Shareholders, who have not opted to receive electronic communication, will receive the Notice of Annual Meeting and the Proxy Form by post. They may obtain a copy of the Integrated Report by choosing one of the following:**
   - **Downloading the documents from IBL's website on www.iblgroup.com.**
   - **Sending a request to the email address: iblcosec@iblgroup.com so that a copy be sent to their email address.**
   - **Making a written request to IBL Management Ltd, IBL House, Caudan Waterfront, Port Louis for a printed copy (which shall be sent to them within 2 days from the request being received).**

Proxy Form

I/We,

of

being a member/members of IBL Ltd ("the Company"), do hereby appoint:

of

or failing him/her,

of

or failing him/her the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company, to be held at the registered office of the Company, 1st Floor IBL House, Caudan Waterfront, Port Louis, on **Wednesday, 30 December 2020** at **9:30 am**, and at any adjournment thereof.

I/We desire my/our vote(s) to be cast on the Ordinary Resolutions as follows:

	For	Against	Abstain
1. To receive, consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2020, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.	☐	☐	☐
2. To appoint Mrs. Isabelle de Melo who has been nominated as Director by the Board and who offers herself for election.	☐	☐	☐
3. To re-elect on the recommendation of the Board, Mr. Pierre Guénant who offers himself for re-election to hold office until the next Annual Meeting in accordance with Section 138(6) of the Companies Act 2001.	☐	☐	☐
4. To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2021 and to ratify the fees paid to the Directors for the year ended 30 June 2020.	☐	☐	☐
5. To take note of the automatic re-appointment of Messrs. Ernst & Young as Auditors of the Company for the year ending 30 June 2021, in accordance with Section 200 of the Companies Act 2001, and to authorise the Board to fix their remuneration.	☐	☐	☐
6. To ratify the remuneration paid to the Auditors for the year ended 30 June 2020.	☐	☐	☐

Signed this ______ day of ______ 2020.

Signature(s) ______

Notes:

1. A member of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own choice to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. Please mark in the appropriate box how you wish to vote. If no specific direction as to voting is given, the proxy will be entitled to vote or abstain from voting as s/he thinks fit.
3. The instrument appointing a proxy or any general power of attorney, duly signed, shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry, Sir William Newton Street, Port Louis, by Tuesday, 29 December 2020 at 9:30 am and, in default, the instrument of proxy shall not be treated as valid.

Think Green

As part of the IBL Group's ongoing commitment to sustainability, IBL Ltd has chosen to print its integrated report on Lenza Green paper.

Lenza Green paper is made from 100% recycled pulp and is Totally Chlorine-free (TCF).

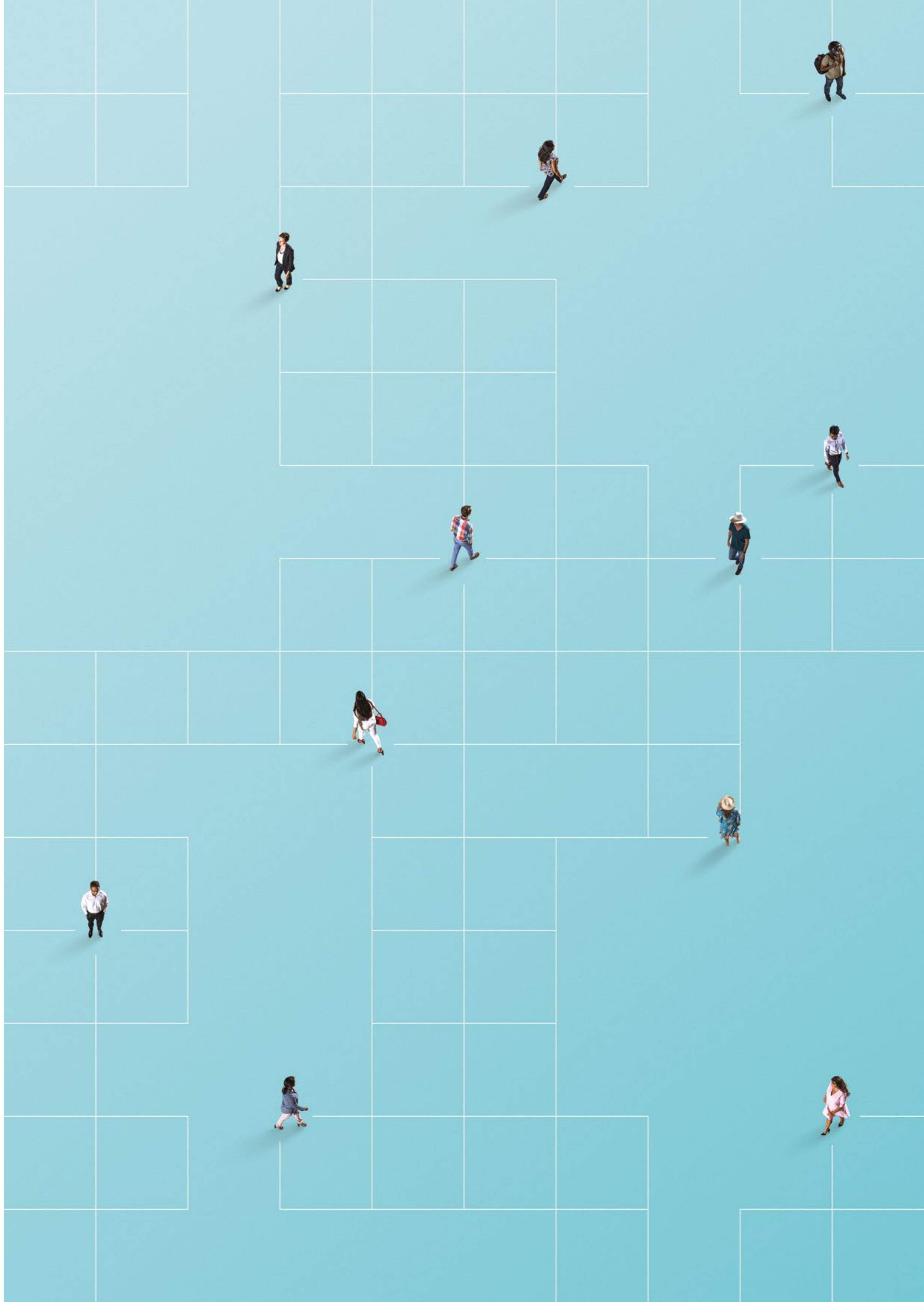
Lenza Green is certified by:

- The Forest Stewardship Council (FSC), an international non-governmental and non-profit organisation that promotes the responsible management of the world's forests
- The EU Ecolabel, a label of environmental excellence
- Nordic Swan, the official ecolabel of the Nordic countries
- TÜV Austria, a leading certification and inspection company

Lenza Green's environmental profile (for both paper and pulp production):

SO_2	0.20 kg/tonne
NOx	0.54kg/ tonne
CO_2 (fossil)	276 kg/tonne
Solid waste landfilled	0.00 BDkg/tonne
Electricity consumption	354KWh/tonne of final product

Edited by Beyond Communications.

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