INTEGRATED REPORT
2021

TOGETHER

MOVING FORWARD TOGETHER

In these incredibly challenging times, IBL remains committed to building a better tomorrow for its stakeholders. Informed by our core values, we seek to make a positive impact via each of our activities and business decisions. We recognise the personal lives and the need for flexibility and personal growth of our team members. We also recognise their talent and their many contributions to our group. We are aware of the fast-changing needs of our customers, partners and community members, many of whom have been impacted by the COVID-19 crisis. Without these stakeholders, we would not exist. Our aim is to move forward together with them, creating a brighter future for all.

CONTENTS

INTRODUCTION

ABOUT THIS REPORT

REPORTING SCOPE AND BOUNDARY

This Integrated Report presents material information about IBL Ltd ("IBL")'s business model, operating context, strategy and risk management, operational performance, stakeholder engagement and governance for the financial year ended 30 June 2021 (FY 2021).

REPORTING PRINCIPLES

The contents of this report have been prepared in accordance with the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework. All financial reporting complies with International Financial Reporting Standards (IFRS) and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

IBL also seeks to identify how its business impacts and is driven by the United Nations Sustainable Development Goals (SDGs). SDGs icons are used throughout this report to denote actions that support individual goals. IBL has been a Participant in the UN Global Compact since 2017 and is a Founding member of the Global Compact Local Network (Mauritius).

MATERIALITY

IBL considers information to be material when its omission or misstatement could influence our stakeholders' decision-making and when it substantively affects our strategy, revenue and profitability, and ability to create value over time.

COMBINED ASSURANCE

IBL's independent external auditor, Ernst & Young, has provided assurance on IBL's audited annual financial statements. The independent external auditor's report is presented on pages 164 to 173.

The Group's management and directors have reviewed how IBL's non-financial performance, strategy and risks are presented in this report and are confident that it provides a fair and balanced view of IBL's material issues.

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 currently available information and the opinions of the Group's leadership. 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.

RECEIVE OUR REPORT DIGITALLY

By choosing to receive a digital version of our Integrated Report in the future, you'll help IBL reduce its 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 Integrated Report microsite. To register, please write to IBLcosec@iblgroup.com

Electronic versions of this report and of reports for previous financial years are available online at www.iblgroup.com

FEEDBACK

We are committed to improving the quality of our reporting and welcome feedback from our stakeholders. Please send comments or questions to IBLCommunication@iblgroup.com

ICONS USED IN THIS REPORT

CAPITALS

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

STAKEHOLDERS

- IBL team members
- 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
- Technology and Transformation
- Sustainability strategy

OTHER ICONS

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

MAIN RISKS

1. Tourism performance
2. Foreign currency
3. Pandemic
4. Forex fluctuations
5. Air connectivity
6. Property sales performance
7. Volatility of commodity price
8. Cybersecurity threats
9. Sustainability of tuna stocks
10. Market concentration
11. Government policies
12. Climate change
13. Country reputation
14. FATF watchlist
15. Supply chain

HOW IBL SUPPORTS 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 Sustainable Development Goals identified by the United Nations. IBL has been a Participant in the UN Global Compact since 2017 and is a founder member of the Global Compact Local Network (Mauritius).

WHO WE ARE

AT A GLANCE

MOVING FORWARD TOGETHER

In these incredibly challenging times, the IBL Group is actively building a better future for its country and community. As one of Mauritius' – and the wider region's – largest and most diversified business groups, we recognise that we have a responsibility to help address the economic, social and environmental challenges that we all face. From our customers' expectations to the context in which we do business, the world around us is changing fast. It's never been more important for us to come together and transform our Group and how we do business, to better meet the needs of our clients, team members, community and other stakeholders.

A MAJOR DIVERSIFIED GROUP

Shareholders

12,537

FY 2020: **12,563**

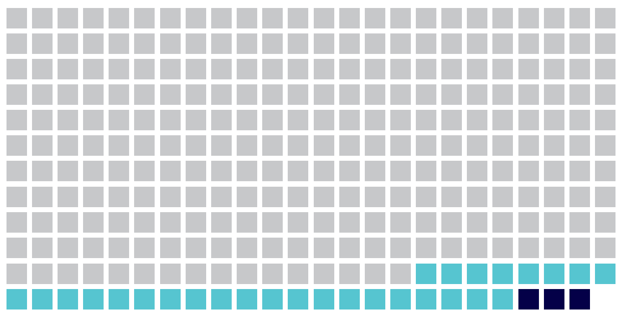
Clusters

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

Companies

287

256	Subsidiaries
28	Associates
3	Joint ventures



7 companies listed on the Mauritian Stock Exchange (of which IBL Ltd)

FINANCIAL PERFORMANCE

Group Revenue (Rs)

35.86bn

FY 2020: **36.54bn**

Group profit before tax (Rs)

292.9m

FY 2020: **(1.20bn)**

Group profit after tax (Rs)

74.9m

FY 2020: **(1.43bn)**

Market capitalisation (Rs)

32.31bn

FY 2020: **33.33bn**

STRATEGIC HIGHLIGHTS

A Mauritian heart

86%	Group revenue generated in Mauritius
227	Companies in Mauritius
2,68bn	Taxes, Duties & Levies (excluding VAT)(Rs)
163,212	wiiv, award-winning loyalty programme members

A regional presence

1	Regional office in Nairobi, Kenya
38	Number of companies in the region

International expansion anchored in world-class professional expertise

16	Number of companies operating/investing internationally
8	Number of new management contracts/hotels opened by The Lux Collective

AT A GLANCE

STRATEGIC HIGHLIGHTS (CONTINUED)

A transformative human capital strategy

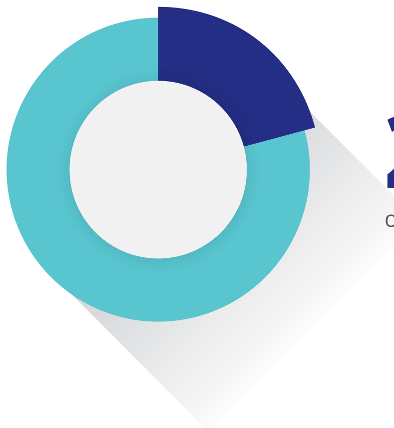
Team members across the Group*

24,404

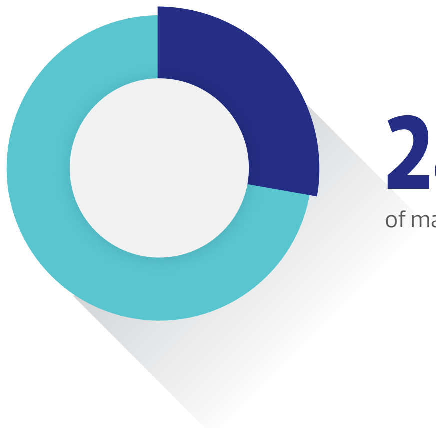
68% Men **32%** Women

FY 2020: **25,205** (**67%** men, **33%** women)

Women make up**



21%
of executives



28%
of managers

FY 2020: **16 %** and **28%** respectively

Investment in learning & development (Rs)**

14m

FY 2020: **32m**

Investment in safety & health (Rs)**

29.6m

FY 2020: **32.5m**

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

***IBL Operations and Corporate Centre*

A commitment to sustainability

Participation

PARTICIPANT IN THE UN GLOBAL COMPACT SINCE 2017

Taxes, Duties & Levies paid (excluding VAT)(Rs)

2.68bn

FY 2020: **Rs 2.73bn**

Companies listed on the SEM Sustainability Index

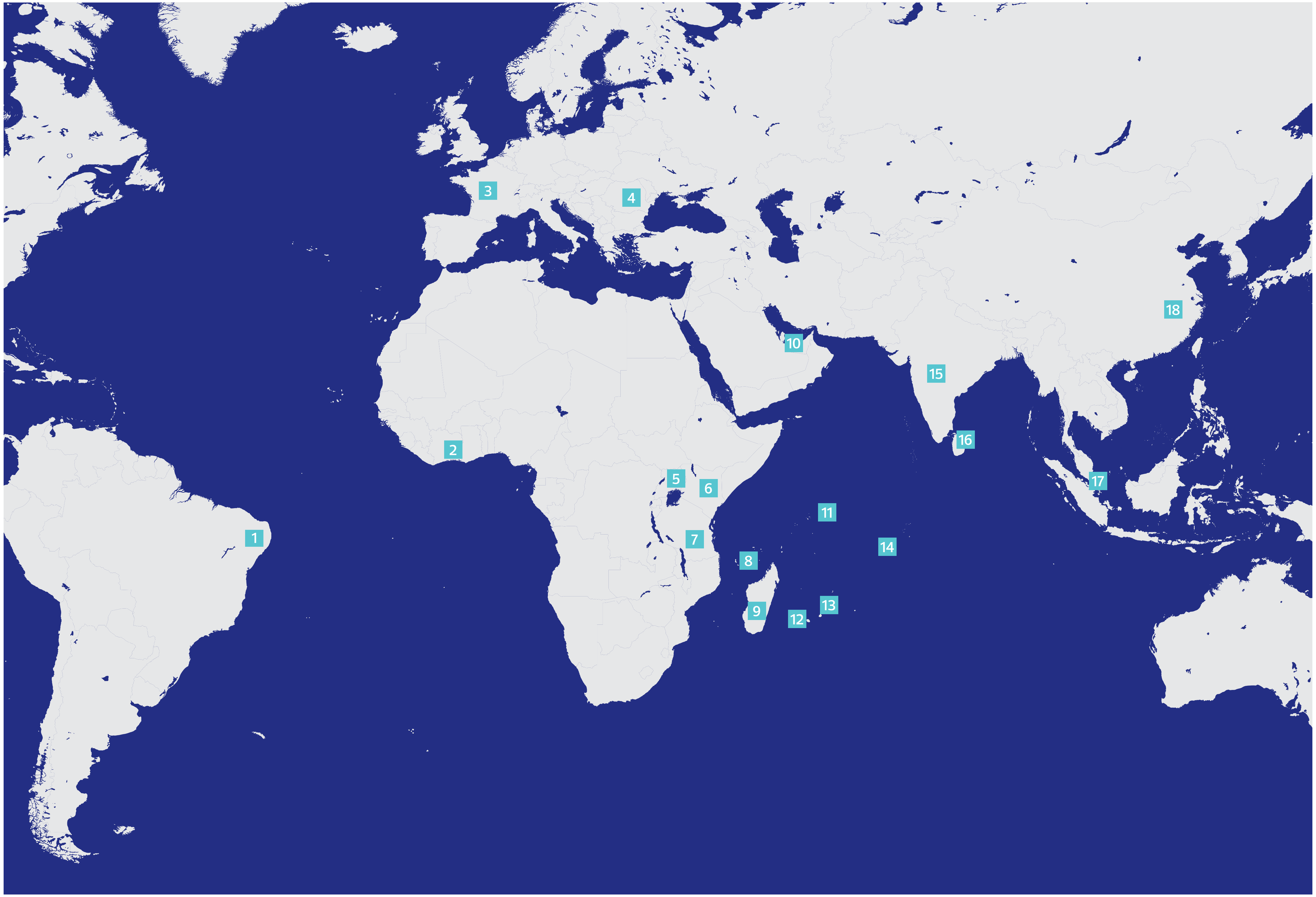
2

FY 2020: **3**

Support provided by national COVID-19 vaccination campaign (Rs)

460,000

INTERNATIONAL PRESENCE



IBL IS PRESENT IN 18 COUNTRIES

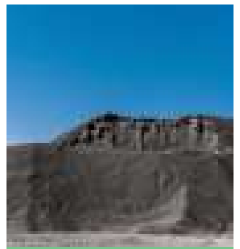
1. Brazil
2. Ivory Coast
3. France
4. Romania
5. Uganda
6. Kenya
7. Tanzania
8. Comoros
9. Madagascar
10. Dubai
11. Seychelles
12. Reunion
13. Mauritius
14. Maldives
15. India
16. Sri Lanka
17. Singapore
18. China

GROUP STRUCTURE

IBL TOGETHER

AGRO & ENERGY

IBL Energy	100%	S
Alteo	27.64%	A



BUILDING & ENGINEERING

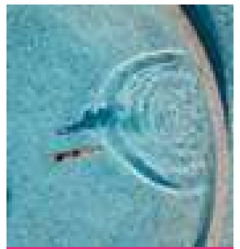
Manser Saxon	99.97%	S
CNOI	63.83%	S
UBP	33.14%	S

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 Holdings	100%	S
LCF Securities	77%	S
Eagle Insurance	60%	S
The Bee Equity Partners	34.95%	S
City Brokers	50%	JV
EllGeo Re	100%	S
AfrAsia Bank	30.29%	A
Ekada Capital	51.97%	S



HOSPITALITY & SERVICES

Arcadia Travel	100%	S
Alentaris	85%	S
Lux Island Resorts	56.47%	S
The Lux Collective	56.37%	S

LIFE & TECHNOLOGIES

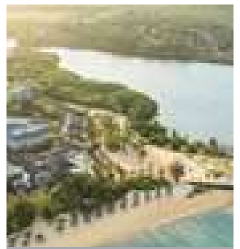
IBL Life	100%	S
IBL Link	100%	S
CIDP	90%	S
GWS Technologies	80%	S
Universal Media	55%	S
QuantiLab Holding	50%	A

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

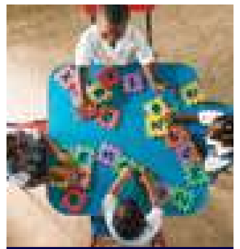
SEAFOOD

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%	S
Mer des Mascareignes	42.50%	A
Princes Tuna (Mauritius)	40.64%	A



PROPERTY

Bloomage	100%	S
BlueLife	57.41%	S



CSR

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

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

OUR COVID-19 RESPONSE

In this extraordinarily difficult time, IBL remains committed to supporting our stakeholders and **Moving Forward Together**. With COVID-19 continuing to have a major impact on our country, clients, colleagues and community, we are determined to help Mauritius recover and to build a more sustainable and resilient society and economy.

SAFEGUARDING OUR GROUP

As a major employer and driver of economic growth in Mauritius, IBL has an important role to play in moving the country and wider region forward.

Our group therefore continues to assess and manage the pandemic's impact on our Operations, with the Group Crisis Committee meeting on a regular basis to ensure fast, collaborative decision-making. IBL has also maintained strict cash flow measures in place where necessary. These include a group Forex conversion policy overseen by the Corporate Centre, the suspension of all unnecessary capital expenditure and the careful management of operational budgets.

IBL is also pursuing the strategy that we defined in 2016, while creating new strategies for growth in key industries such as renewable energy and healthcare. We're also deepening our presence on the African continent to harness growth opportunities in new markets.

Alongside this, we're harmonising our digital capabilities across the group, allowing us to engage with colleagues, customers, suppliers and partners remotely, innovate on products and services, and improve our business performance while managing cybersecurity risk.

KEEPING OUR COLLEAGUES SAFE

IBL is committed to keeping our business running while ensuring that our colleagues stay as safe as possible. Enhanced safety & health protocols - including temperature checks, social distancing and hygiene measures - remain in place across the group, and we continue to provide wellness-related support (including the services of a psychologist until June 2021) to our teams.

IBL also launched a free vaccination programme for frontline staff members in February 2021, widening access to all other members of staff in March. Alongside this, we ran a series of Q&A and awareness-raising sessions about the benefits of vaccination. To date, over 90% of the team members in our head office and almost 80% of those in our Operations have been vaccinated.

Following the second Mauritian lockdown in March 2021, IBL introduced a shift system for its Corporate Centre teams. Half of our staff now work from home at any one time, supported by accelerated investment in digital capabilities. Internal communications, such as a "Lockdown Updates" Microsoft Teams channel created by the IBL Corporate Centre to share reliable information about COVID-19, have played a key role in supporting and connecting our teams as they work remotely.

SUPPORTING OUR CUSTOMERS

The past year has had a major impact on many of our clients and customers. Finding ways to continue to serve them while keeping everyone safe remains one of IBL's top priorities. In addition to safety protocols such as temperature checks and the installation of Plexiglas cashier shields in our retail spaces, IBL Operations have pivoted their business models to use digital channels and platforms to engage with and communicate with our customers.

GIVING BACK TO OUR COMMUNITY

IBL is aware that the COVID-19 has hit the poorest hardest. We've therefore mobilised to support vulnerable families in our community. Working closely with IBL Seafood and Winner's, Fondation Joseph Lagesse implemented a rapid response plan to quickly distribute food packs during the second Mauritian lockdown. Dozens of disadvantaged families from Bois Marchand, Chemin Rail, Batterie Cassée and Baie du Tombeau received a month's worth of basic items.

IBL also continues to take part in national forums and committees to help shape Mauritius' COVID-19 policy response, contribute to community support initiatives and quickly respond to evolving guidelines and regulations.

LEADERSHIP

CHAIRMAN'S STATEMENT

5 MIN

Dear Stakeholder,

The past 18 months have been unlike any other in living memory. The world we live in has undergone unprecedented change. COVID-19 has infected over 200 million people, taken close to five million lives and seriously challenged healthcare systems worldwide. Many industries have come to a standstill, with numerous people losing their livelihoods.

As a group, and as a community and country, we have risen to the challenge of COVID-19 by working together. At a national level, IBL joined forces with the authorities to promote vaccination and bring PCR testing closer to the community. We also collaborated with the Mauritian government, local banks and other business groups to develop appropriate policies to support COVID-19-impacted industries. Several of our operations benefitted from the government's Wage Assistance Scheme and support from the Mauritius Investment Corporation. We acknowledge this assistance was essential, as was the support of our bankers, who offered forbearance measures.

Within IBL, we have devised new ways of working, accelerated our efforts to improve our efficiency and captured emerging business opportunities in a variety of industries. Our priority remains to keep our teams, customers and partners safe, and to ensure that our group remains strong and stable by controlling costs and taking a proactive and flexible approach to decision-making. This has required good communication and engagement on the part of our staff and leadership. It has also allowed us to prepare for the economic recovery.

SHAREHOLDER VALUE

FIGURES AS AT 30 JUNE 2021	
Share price	**Rs 47.50** (FY20: Rs 49.00)
Dividends paid	**Rs 0.44** per share (FY20: Rs 0.61)
Total number of shares	**680,224,040**
Market capitalisation	**Rs 32.3bn**

PERFORMANCE

Overall, I am pleased with our achievements during the year and the progress we are making towards our goals. IBL's performance for the year ended 30 June 2021 has been encouraging: while the drop in our travel and tourism-exposed businesses explains most of the Rs 2bn decline in operating profit since 2019, our other businesses have seen healthy comparative growth in operating profit of 22% over the past two years. This translates to an 81% increase in profit before tax over this period, including the positive contribution of associates and joint ventures.

STRATEGY

While the past two years have once again demonstrated the benefits of IBL's industry and geographical diversification, they have also taught us about the vulnerability of our supply chains and the Mauritian hospitality industry, and highlighted the need to actively pursue our regional and international expansion.

CHAIRMAN'S STATEMENT

This year, we conducted a strategic review with the help of McKinsey, and are now focusing on an expansion plan into East Africa by seeking out potential partnerships and businesses to invest in. We have also identified healthcare and renewable energy as sectors presenting significant growth opportunities. IBL has over a century of experience in the distribution of pharmaceuticals, medical equipment and medical consumables. Our ambition is to take this expertise to the wider region and onto the African continent. Our people-focused leadership culture will be key to our success, and a clear human capital roadmap will support our regional strategy and ambitions.

Alongside this, IBL will continue to deliver on its Mauritian core strategy, which is one of optimisation and innovation, and leverage areas in which it has world-class expertise, such as our Seafood Cluster, to expand internationally.

GOVERNANCE AND RISK

The Board remains committed to good governance. It recognises that governance is key to IBL's ability to effectively manage risks and anticipate changes in the group's operating environment.

The Board continues to receive regular updates from IBL's management regarding current and emerging systemic risks. Throughout the pandemic, the Board was informed about the lack of foreign currency on the local market, leading to a steep rupee depreciation and commodity price hikes. At a time when our companies were operating remotely, rising cybersecurity risks were also a concern. The group has remained vigilant and protected, and cybersecurity continues to be a high priority.

The notable progress that Mauritius has made towards being removed from the FATF greylist and consequently the EU blacklist is positive. We await the final decisions and outcomes.

Finally, we are conscious of the risks associated with our African expansion strategy. We actively seek to manage them by ensuring we identify and invest in the right markets and companies.

ACKNOWLEDGEMENTS

Jason Harel stepped down from the IBL Board on 31 December 2020. He had served as an Independent Non-Executive Director since the group's amalgamation in 2016 and had previously been a Director on the Board of Ireland Blyth Ltd. On behalf of my colleagues on the Board, I would like to thank Jason for his many contributions and valuable advice over the years.

We have welcomed Richard Arlove as a new Independent Non-Executive Director. Richard has a lengthy track record in the global business and accounting industries in Mauritius and internationally, and brings specific experience in financial management, corporate governance, cross-border investment and trade structuring, with a particular focus on African markets. Richard has taken over from Jason Harel as the chair of IBL's Audit & Risk Committee.

Martine de Fleuriot has replaced Thierry Lagesse on the Governance committee and Benoit Lagesse has replaced Maxime Rey on the Audit committee.

In 2021, an IT Governance Committee Charter was created and approved for the Group, chaired by Isabelle de Melo, an Independent Non-Executive Director.

During the year, the Board approved a revised Conflict of Interest and Related Party Policy to prevent insider dealing and manage Directors' and Executives' potential conflicts of interest.

In the coming years, we intend to develop a specific governance structure for IBL East Africa in Nairobi.

OUTLOOK

Although the economic disruption associated with COVID-19 has started to ease, it remains unclear when and under what circumstances we will emerge from this crisis. In the short term, IBL's performance will continue to depend on the evolution of the pandemic worldwide, and in particular on the success of Mauritius' border reopening.

The Board's confidence in the group's prospects explains the ongoing investment in COVID-impacted activities such as shipbuilding and hospitality. We believe that IBL's diversified portfolio and geographic footprint, its effectively managed businesses, and its strong market positioning provide a solid foundation for growth as the world economy begins to recover.

ACKNOWLEDGEMENTS

I would like to express my sincere thanks to all of IBL's teams under the leadership of the Group CEO, Arnaud Lagesse. The Board and I are aware that it has been a challenging and unsettling few years, and we are grateful for our people's continued engagement and commitment.

Thanks are also due to our shareholders and financial partners for their continued trust, and to my fellow Board members, including outgoing Director Jason Harel, for their invaluable support and collaboration.

Jan Boullé
Chairman of the Board of Directors

MEET OUR BOARD OF DIRECTORS

Richard Arlove
Independent Non-Executive Director

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

Arnaud Lagesse
Executive Director & Group CEO

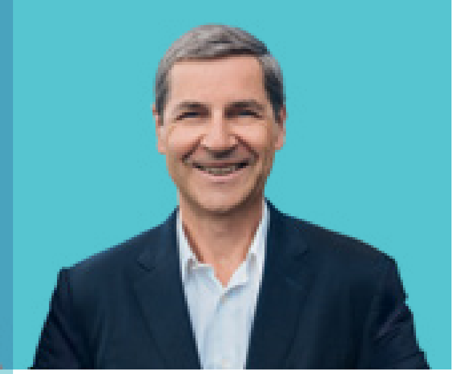
Benoit Lagesse
Non-Executive Director

Hugues Lagesse
Non-Executive Director

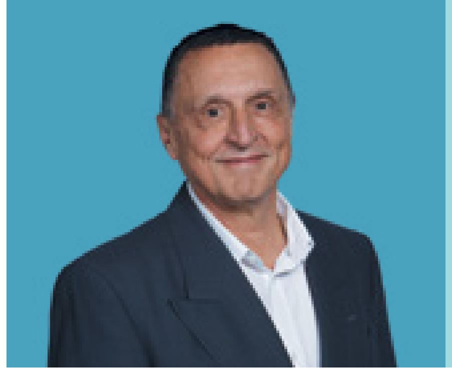
Jean-Pierre Lagesse
Non-Executive Director

Thierry Lagesse
Non-Executive Director

Gilles Michel
Independent Non-Executive Director



Maxime Rey
Non-Executive Director



Jean Ribet
Non-Executive Director

DIRECTORS' PROFILES

Richard Arlove
Independent Non-Executive Director

Citizen and Resident of Mauritius
Appointed: 01/01/2021

Skills and experience

Richard Arlove started his professional career in Big Four audit firms and subsequently held CEO and General Management positions in companies involved in marketing of international brands, in manufacturing and in corporate and financial services.

Qualifications

- Fellow of the Association of Chartered Certified Accountants (FCCA)

External appointments

- Board member and chair of international companies and private equity funds

Core competencies

- Business and finance advisory, strategic development, change management and governance, international structuring, investment in Africa.

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

- BlueLife Limited
- DTOS Ltd
- Eagle Insurance Limited
- Ekada Capital Ltd
- Interface International Ltd
- 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
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 during which he acquired expertise in hospitality and real estate development.

Qualifications

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

External appointments

- BlueLife Limited
- Lux Island Resorts Ltd
- Phoenix Beverages Limited
- The United Basalt Products Limited
- Phoenix Investment Company Limited
- Camp Investment Company Limited
- AfrAsia Bank Ltd

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 – Paris, France

External appointments

- AfrAsia Bank Limited

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 € 5,2 Bn 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.

DIRECTORS' PROFILES

Arnaud Lagesse
Executive Director & Group CEO

Citizen and resident of Mauritius
Appointed: 23/03/2015
Group CEO: 01/07/2016
2005-2016: 12 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
- City Brokers Ltd
- Fondation Joseph Lagesse
- Phoenix Beverages Limited
- Phoenix Investment Company Limited
- The Lux Collective Limited

Member of the Board of Directors
- Alteo Agri Ltd
- Pick and Buy Limited
- Seafood Hub 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
Appointed: 01/07/2015

Skills and experience
Hugues Lagesse currently the 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
- Arie Capital Investment Ltd

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 a visionary entrepreneur, who amongst others launched a Direct To Home satellite television company in the Indian Ocean Islands. Thierry Lagesse was also involved in building up the textile industry in Mauritius in the 1980s. 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
- Management and Development Company Limited (« Madco »)
- Maurilait Production Limitée
- Solvay (Bruxelles)
- Valeo (Paris)

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
- 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
Anne Clarenc

Alteo CEO
André Bonieux

Bloomage CEO
Robin Hardin

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 COO
Patrice Marie

HealthActiv COO
Fabrice Adolphe

Engineering & Energy COO
Emmanuel André

Logistics COO
Danny Ah Chong

Manser Saxon Group Acting COO
Neeraj Hurbungs

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 Interim CEO
Thierry Vallet

BlueLife CEO
Hugues Lagesse

City Brokers CEO
Jean Christophe Cluzeau

DTOS CEO
Jimmy Wong

Eagle Insurance CEO
Derek Wong

Ekada Capital CEO
Eric Ambroise

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 Group Legal Affairs
Anaick Larabi

Group Audit Executive
Kevin Maurymoothoo

General Manager 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

Head of Sustainability
Luvna Arnassalon-Seerungen

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 East Africa COO
Michel Pilot

MEET OUR EXECUTIVES

Fabrice Adolphe
HealthActiv COO

Danny Ah Chong
Logistics COO

Eric Ambroise
Ekada Capital CEO

Emmanuel André
Engineering & Energy COO

Luvna Arnassalon–Seerungen
Head of Sustainability

Bertrand Baudot
QuantiLAB Managing Director

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

Claire Blazy-Jauzac
CIDP CEO

André Bonieux
Alteo CEO

Dipak Chummun
Group Chief Finance Officer

Jean-Christophe Cluzeau
City Brokers CEO

David Commarmond
GWS Technologies CEO

Doris Dardanne
Group Corporate Secretary

Olivier Decotter
Head of Risk Management & Compliance – Ethics Officer

Laurent De La Hogue
Head of Financial Services

Martine De Souza
Head of CSR

Pierre Egot
IBL Energy GM

Desiré Elliah
Lux Island Resorts CEO

MEET OUR EXECUTIVES

Laurent Fayolle
Head of IBL Link

Olivier Fayolle
The Bee Equity Partners CEO

Jean-Alain Francis
EllGeo Re CEO

Hubert Gaspard
Group Chief Human Capital Officer

Thierry Goder
Alentaris CEO

Robin Hardin
Bloomage CEO

Neeraj Hurbungs
Manser Saxon Acting CEO

Sattar Jackaria
Head of Financial Services

Géraldine Jauffret
Head of IBL Life

Preetee Jhamna
Group Operations CFO

Paul Jones
The Lux Collective CEO

Thierry Labat
Group Head of Corporate Services

Arnaud Lagesse
Group Chief Executive Officer

Delphine Lagesse
Group Strategic Innovation & Excellence Executive

Hugues Lagesse
BlueLife CEO

Anaick Larabi
Head of Group Legal Affairs

Hubert Leclézio
Head of Business Development – M&A

Kevin Lennon
Head of Group Human Capital Operations

Aldo Létimier
Winner's COO

Patrick Macé
Intergraph CEO

MEET OUR EXECUTIVES

Patrice Marie
BrandActiv COO

Christine Marot
Group Head of Technology & Sustainability

Kevin Maurymoothoo
Group Audit Executive

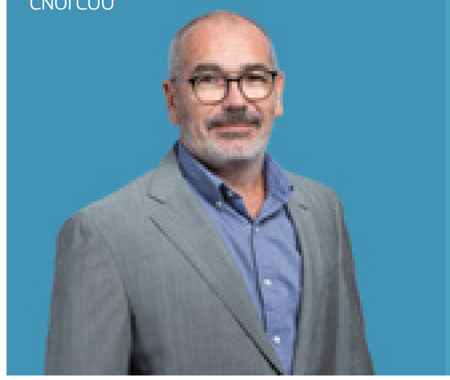
Diya Nababsing-Jetshan
Head of Technology & Digital Transformation

Jorsen Patten
Head of Business Development East Africa

Ruben Payen
Trademarks & Consulates GM

Michel Pilot
IBL East Africa COO

Franck Piriou
CNOI COO



Gopalakrishna Naidu Purseramen
Seafood COO

Dev Ramasawmy
Head of Group Finance & Analytics

Navin Ramkhelawon
Universal Media GM

Patrice Robert
Group Head of Operations

Raj Tapesar
LCF Securities CEO

Bernard Theys
PhoenixBev CEO

Caroline Tyack
Head of Communications

Stéphane Ulcoq
UBP CEO

Yannick Ulcoq
Head of Treasury

Thierry Vallet
AfrAsia Bank Interim CEO

Derek Wong
Eagle Insurance CEO

Jimmy Wong
DTOS CEO

PROFILES OF KEY SENIOR EXECUTIVES

Dipak Chummun
Group Chief Financial Officer

Appointed: 01/07/2016

Skills and experience
- Started career in 1990 with PwC in London within Audit and Consulting and later moved to Singapore to join PWC's Banking Advisory Unit.
- Joined Standard Chartered Bank in 1996 and subsequently held Regional & Group Head roles in Corporate and Investment Banking, Strategy, M&A and Finance with major international banks, including Barclays, Emirates NBD and Deutsche Bank in London, Hong Kong, Dubai, Singapore and Frankfurt.
- Most recently was Director for Business Performance and Strategic Financial Planning at Deutsche Bank's global headquarters in Frankfurt.
- Was appointed Executive Director and Group Chief Finance Officer for Ireland Blyth Limited on 1 January 2015 and after the latter's amalgamation into IBL Ltd (formerly GMLI), was appointed Group Chief Finance Officer of IBL Ltd on 1 July 2016.

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

Thierry Labat
Group Head of Corporate Services

Appointed: 01/07/2017

Skills & 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 and Sustainability

Appointed: 01/07/2020

Skills and experience
- Started her career with De Chazal Du Mée & Co, now BDO.
- Was Finance Executive – Corporate and Accounting at GML Management Ltée where she was involved at a senior level in businesses across the GML Group, now IBL Group.
- Was appointed as Acting CEO of BlueLife Limited in November 2014 and CEO in May 2015.
- Was appointed Group Head of Technology and Sustainability in July 2020.

Qualifications
- Accountant by profession.
- 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 and 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 and most recently as Chief Operating Officer for the Seafood Cluster for which he oversaw local operations and its development internationally. Promoted as Group Head of Operations in August 2018, responsible for IBL Ltd's Manufacturing & Processing, Logistics, Commercial, 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

Arnaud Lagesse
Group Chief Executive Officer

Appointed: 01/07/2016

Directors' Profiles page 28.

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

Appointed: 01/07/2016

Directors' Profiles page 26.

STRATEGY

INTERVIEW WITH THE GROUP CEO

7 MIN

WE ARE NOW IN THE SECOND YEAR OF THE COVID-19 PANDEMIC. HOW HAS IBL BEEN AFFECTED?

IBL's focus this year has been on moving forward together. While the COVID-19 crisis continues to impact some of our businesses, it has also been an opportunity to take stock of our activities' strengths improve how we work with the benefit of hindsight and accelerate our investment in key growth areas, including fast-tracking our expansion into East Africa.

Thanks to the ongoing engagement of our people as well as our agility, geographical and sectoral diversification, solid financial foundations and the ongoing support of our shareholders and other stakeholders, IBL has weathered the crisis better than many of its peers. Our performance demonstrates that we are emerging from the pandemic stronger and more resilient than ever. It is my hope that the worst is now behind us.

HOW DID THE GROUP PERFORM THIS YEAR?

After a difficult year in 2019-20, IBL saw a rapid recovery in almost all its activities except its hospitality, aviation and property businesses.

The group's total revenue declined by only 2% (from Rs 36.54bn last year to Rs 35.86bn this year end), mostly attributable to the poor performance of our hospitality cluster. The latter saw an operating loss of Rs 1bn, reflecting a cumulative Rs 4.2bn decline in revenue and a Rs 1.8bn decrease in operating profit over the past two financial years. Our aviation and shipping activities were also severely affected by the COVID-19 pandemic and Mauritius' border closures throughout the year, while BlueLife was impacted by lower property sales, lower rental income and lower turnover from hotels. Despite these challenges, the group posted a net profit of Rs 74.9m for the year, up from a loss of Rs 1.43bn last year.

Among our associates, Alteo had a very good year, with profit after tax up by Rs 1.64bn compared to FY2020 thanks to higher sugar prices and favourable fair value movements, while AfrAsia's total operating income declined by 32% to Rs 2.58bn and its profit after tax declined by 41% to Rs 916m due to interest rates being at a historic low.

This is despite the fact that COVID-19-related restrictions were in place all year, as opposed to last year, during which we operated normally for nine months before the emergence of the pandemic. It reflects not only the relevance and strength of our businesses and brands, but also our ability to quickly adapt, both on an operational level and on a human one.

HOW HAS COVID-19 CHANGED HOW THE GROUP WORKS?

IBL's priority remains to safeguard our teams, partners, clients, and community, as well as to protect shareholder value as much as possible. When Mauritius' second COVID-19 lockdown was announced in March 2021, our business continuity plans and safety & health protocols were already well-established. They were immediately redeployed, with our teams coming into the office in shifts to minimise the virus' potential spread; personal protective equipment readily available; and stringent sanitary practices keeping our employees and clients safe, both at Head Office and across our Operations. We accelerated our vaccination campaign, encouraging take-up among our staff and front-liners in particular (in logistics, supermarkets, hospitality, etc.), and contributing to the government's goal of achieving herd immunity in Mauritius. IBL's leadership was vaccinated early, and we actively communicated about the importance and benefits of vaccination.

INTERVIEW WITH THE GROUP CEO

Throughout the group, our businesses have pivoted and reorganised how they work to tackle challenges such as disrupted supply chains, changing customer expectations and the need for stringent sanitary measures. They also quickly repositioned to take advantage of the new opportunities that have emerged in areas such as medical testing and consumables. The businesses that have been most acutely impacted by the pandemic, including our hospitality and property activities, have taken steps to conserve cash and limit their overheads while preparing for a recovery in the travel and tourism markets.

COVID-19 has also accelerated IBL's digital transformation journey, with businesses embracing new technology solutions to create value for customers and employees while safeguarding their cyber-resilience and security in the face of new threats. Now more than ever, IBL is aware of the need to have the right talent to adapt to a fast-changing environment. We are therefore focusing on standardising and improving our approach to succession planning and talent management across the entire group, including subsidiaries.

On a national level, IBL has continued to work closely with the national authorities and Business Mauritius on public policy measures and the national budget. Fondation Joseph Lagesse and our group's other CSR entities are also actively supporting our community, donating food and other essentials to front-liners and those most at risk in vulnerable areas.

HAS THE PANDEMIC AFFECTED IBL'S STRATEGY?

IBL continues to pursue its strategy of strengthening its Mauritian core, developing in the region and expanding internationally. However, the group also refreshed its strategy early in the third quarter, identifying three major growth areas that it intends to pursue going forward: Renewable Energy, Healthcare, and opportunities in East Africa.

These strategic 'sprints' reflect not only COVID-19's short-term impact on our operating context, but our changing ambitions and the new market opportunities that have emerged in recent years.

Our expansion into African markets is a major strategic and executive focus for IBL. We believe there is a significant opportunity to develop our group in East Africa. We are continually assessing potential targets for acquisition in the region, building on the excellent work of our business development team in Nairobi. Our ambition is to create a full-fledged IBL Africa, based in Nairobi and with its own executive team, within the next five years. We are currently structuring our presence in Kenya, identifying a team and seeking out adequate financing.

The Healthcare sector has been given a boost by the COVID-19 pandemic, and our health-related activities are poised for acceleration in Mauritius and the wider region. We have notably separated our medical distribution business from our fast-moving consumer goods business and appointed a dedicated COO for the latter activity. We are also developing new medical destinations that will soon be operational in several parts of Mauritius.

With Renewable Energy the fastest-growing energy source in the world, IBL is seeking to build upon its existing expertise to capture a share of this growth. We have now recruited a seasoned management team to drive our renewable energy business and have carried out a strategic review in partnership with McKinsey. Its recommendations will be implemented starting this year. In the interim, we will continue to develop the business' capacity and know-how and seek to expand into the region.

HOW DO YOU FEEL ABOUT THE IBL GROUP'S GROWTH PROSPECTS GIVEN THE CONTEXT?

I am extremely pleased about how the group has weathered the COVID-19 storm. The numbers speak for themselves. However, we do expect some short-term volatility in the market, and we will need to remain vigilant and closely monitor our costs. It is important that we structure our activities appropriately to ensure that our growth remains sustainable. And while our roots remain firmly Mauritian, it is nonetheless crucial that we seek out new business opportunities elsewhere.

I am also heartened by the fact that we have seen lots of great new talent join IBL recently. I believe that this is because we are perceived as a strong, stable company able to offer job security in an uncertain climate, but also as a dynamic group that provides employees with exciting career opportunities. We must build upon these strengths and continue to position ourselves as a Great Place to Work.

Our main priorities for 2021-22 are to recruit the right people to deliver on our strategy, ensure we have the right financial resources to support our growth and identify acquisition opportunities to drive our international expansion. If we achieve these objectives, I believe that our prospects are very bright indeed.

ACKNOWLEDGEMENTS

The crisis has had a major impact on all of our stakeholders, from our teams, who have had to adapt to new ways of working, to members of our community who are experiencing hardship during this economic downturn. I am immensely grateful to our people for their ongoing commitment and hard work despite the difficult circumstances. 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. And finally, I would like to thank our shareholders and financial partners for their continued confidence in IBL.

Arnaud Lagesse
Group Chief Executive Officer

UNDERSTANDING OUR OPERATING ENVIRONMENT

MAJOR EXTERNAL TRENDS

	IMPLICATIONS FOR OUR STRATEGY	CLUSTERS IMPACTED	STRATEGIC PILLARS IMPACTED	MAIN RISKS IMPACTED
LOCAL AND REGIONAL ECONOMIC HEADWINDS DUE TO THE IMPACT OF THE COVID-19 PANDEMIC COVID-19 has compounded existing macroeconomic challenges in many of our key markets. In Mauritius, GDP declined 14.9% in 2020, among the largest COVID-19-related GDP losses in the world. Successive waves of COVID-19 in Mauritius' main source markets and the prolonged closure of the country's borders have had a major impact on the tourism sector, on which the economy is heavily dependent. Though the country's economy is expected to return to growth in 2021, this recovery will depend on the extent of private sector investment and of a rebound in the tourism industry. The latter is unlikely to reach 2019 levels until after 2023. The country's construction and property industries were also heavily affected by the crisis but are now recovering, with national investment in infrastructure likely to trigger an upturn in construction activities in 2021-22. Domestic market activities and retail trade are also expected to pick up, while ICT and financial services will probably retain their existing growth momentum.	IBL's strategy is characterised by sectoral and geographical diversification, which has proven to be a key source of resilience. The group continues to carefully manage costs and capital expenditure in its most heavily affected Clusters. It is also focusing its investments in strategic growth areas. IBL has recently defined a strategy for renewable energy via our Agro & Energy Cluster and for healthcare via our Life & Technologies and Commercial & Distribution Clusters. We believe that both sectors will be key drivers of growth in the future. IBL is also strengthening and expanding its Eastern African presence in order to take advantage of growth opportunities in the region. Alongside this, we continue to invest in strategic enablers including our human capital management and digital capabilities to strengthen our group's resilience and remain competitive in the medium and long term. Strategy, page 54 Human Capital, page 64 Technology & Transformation, page 67	Heaviest impact on Hospitality & Services (77.7% YOY contraction in tourist arrivals in Mauritius during 2020). The crisis also affected the following Clusters, though they are now seeing a return to growth: · Building & Engineering · Property – BlueLife · Logistics – Aviation The crisis had the least impact on: · Financial & Other Services · Life & Technologies · Agro & Energy · Commercial & Distribution · Seafood · Logistics (Shipping) Cluster review, page 112		1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 15
CREDIT RATING AND REGULATORY CHANGES In March 2021, Moody's downgraded the Government of Mauritius' sovereign credit rating from Baa1 to Baa2. It maintains a negative outlook for the country based on its weakening fiscal and economic performance. A continued deterioration of these metrics could lead to a further downgrade. This would increase the costs of imports, while likely leading to higher inflation and interest rates, impacting household income and therefore consumer spending. Following the EU's inclusion of Mauritius on its revised list of high-risk countries with strategic deficiencies in their anti- money laundering and counter terrorist financing (AML-CFT) frameworks as well as its inclusion on the FATF's 'grey list' of jurisdictions subject to increased monitoring, the Mauritian government has made substantive efforts to address these issues. As a result, Mauritius expects to be removed from the FATF grey list and the EU blacklist before the end of 2021.	IBL's strategy takes into account the risk of market concentration in Mauritius. This is among the factors driving IBL's region and international strategies and its efforts to consolidate its presence on the African continent. IBL welcomes the prospect of Mauritius being removed from the FATF and EU lists. However, IBL's strategy for its Global Business activities includes a focus on diversifying geographically and minimising the business' market concentration risk. IBL also continues to work with national authorities to shape new legislation that meets FATF standards and addresses current weaknesses in Mauritius' financial system. Strategy, page 54	A credit downgrade would affect activities across our portfolio. While it would make Mauritius' sugar exports more competitive on the global markets, it would also increase the cost of the imports upon which IBL depends and potentially affect our client's ability to purchase our products and services. If Mauritius is not rapidly removed from the FATF and EU lists, it would impact our: · Financial Services Cluster due to heightened KYC requirements which could make the Mauritian jurisdiction less appealing to international investors and dealings with EU banks and customers more difficult. · Property Cluster due to enhanced due diligence for individual buyers with higher risk profiles. · Commercial & Distribution Cluster, as Mauritius could become less appealing to international businesses and brands. Cluster review, page 112		2, 6, 11, 10, 13, 14

UNDERSTANDING OUR OPERATING ENVIRONMENT

	IMPLICATIONS FOR OUR STRATEGY	CLUSTERS IMPACTED	STRATEGIC PILLARS IMPACTED	MAIN RISKS IMPACTED
MAURITIAN BUDGETARY MEASURES FOR 2021 Key measures include: · Support for renewable energy, with the use of coal to be completely phased out by 2030 · Funds earmarked for the development of major infrastructure projects · Measures to support new economic pillars including the biotechnology and pharmaceutical industry · Measures to support the hospitality industry · Promotion of 'Made in Moris' manufacturing with a particular focus on the agro processing, food processing, medical biotechnology and pharmaceutical sectors · Measures to promote the development of the Blue Economy · An increase in the prices of alcoholic beverages	These measures confirm the soundness of IBL's existing strategy for Clusters in its Mauritian core and of its more recent focus on the renewable energy and healthcare sectors. Strategy, page 54	The budget has positive implications for: · Agro & Energy (renewable energy) · Building & Engineering · Commercial & Distribution (healthcare trading) · Life & Technologies (pharmaceutical and laboratory services) · Commercial & Distribution (local manufacturing in Mauritius) The rise in alcohol prices has potentially negative ramifications for PhoenixBev in our Commercial & Distribution Cluster. Cluster review, page 112		1 9 11 15
AN INCREASE IN DIGITALISATION AND CHANGING CUSTOMERS NEEDS AND EXPECTATIONS Worldwide, the COVID-19 pandemic has accelerated digital transformation and brought a host of new competitors online. Businesses are rapidly adapting their products and services to new customer expectations and onboarding new technologies. The rate and sophistication of cybersecurity threats has also increased. This is creating both opportunities for digital innovation and challenges as businesses grapple with the use of technology to drive performance while managing emerging or increased risks.	In 2020-21, IBL began to implement a new Information Technology Governance Framework to strengthen and harmonise the group's technology management and governance standards. A key element of the framework is the appropriate management of cybersecurity risks. IBL also continues to deliver on our digital roadmap, integrating innovative new technologies (particularly ERPs) into our businesses in order to improve performance, while evolving our products and services to reflect customers' changing needs and expectations. Strategy, page 54 Technology & Transformation, page 67	ALL		3 8 15
SUSTAINABILITY In a context characterised by climate change and rapid social, technological and market evolution, there is an increasingly clear business case for investing in sustainability. It is a crucial aspect of risk management; it can drive innovation, improve efficiency and reduce costs, for instance through better management of natural resources, minimising waste or developing new products to meet emerging needs (e.g. in the case of renewables); and businesses who perform well on strong environmental, social and governance also tend to perform better financially. On a reputational level, 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.	IBL is aware that sustainability is increasingly an operational concern and a key risk, particularly given our headquarters in a Small Island Developing Nation that is vulnerable to climate change. IBL is actively developing an environmental, social and governance roadmap aligned with the United Nations Sustainable Development Goals. The COVID-19 pandemic has also sharpened our focus on sustainable energy production and on local manufacturing (in Mauritius). Strategy, page 54 Sustainability, page 58 Stakeholder engagement, page 70	ALL		3 9 11 12

BUSINESS MODEL

OUR ASSETS

IBL's work would not be possible without...

Human Capital

Our skilled and engaged workforce: 24,404 people in the IBL Corporate Centre and across our business units.

Human Capital, page 64

Social and Relationship Capital

Our reputation and the trust-based relationships that allow us to do business.

Stakeholder Report, page 70

Natural Capital

The raw materials and other resources that we use to manufacture our products and run our businesses.

Sustainability report, page 58

Financial Capital

The financial capital allocated by our equity and debt holders as well as the cash flow generated by our operations.

Group CFO's report, page 98

Intellectual Capital

Assets including our brands, our capacity for innovation, our people's expertise in a wide range of growth sectors and our 'IBL Together' corporate culture.

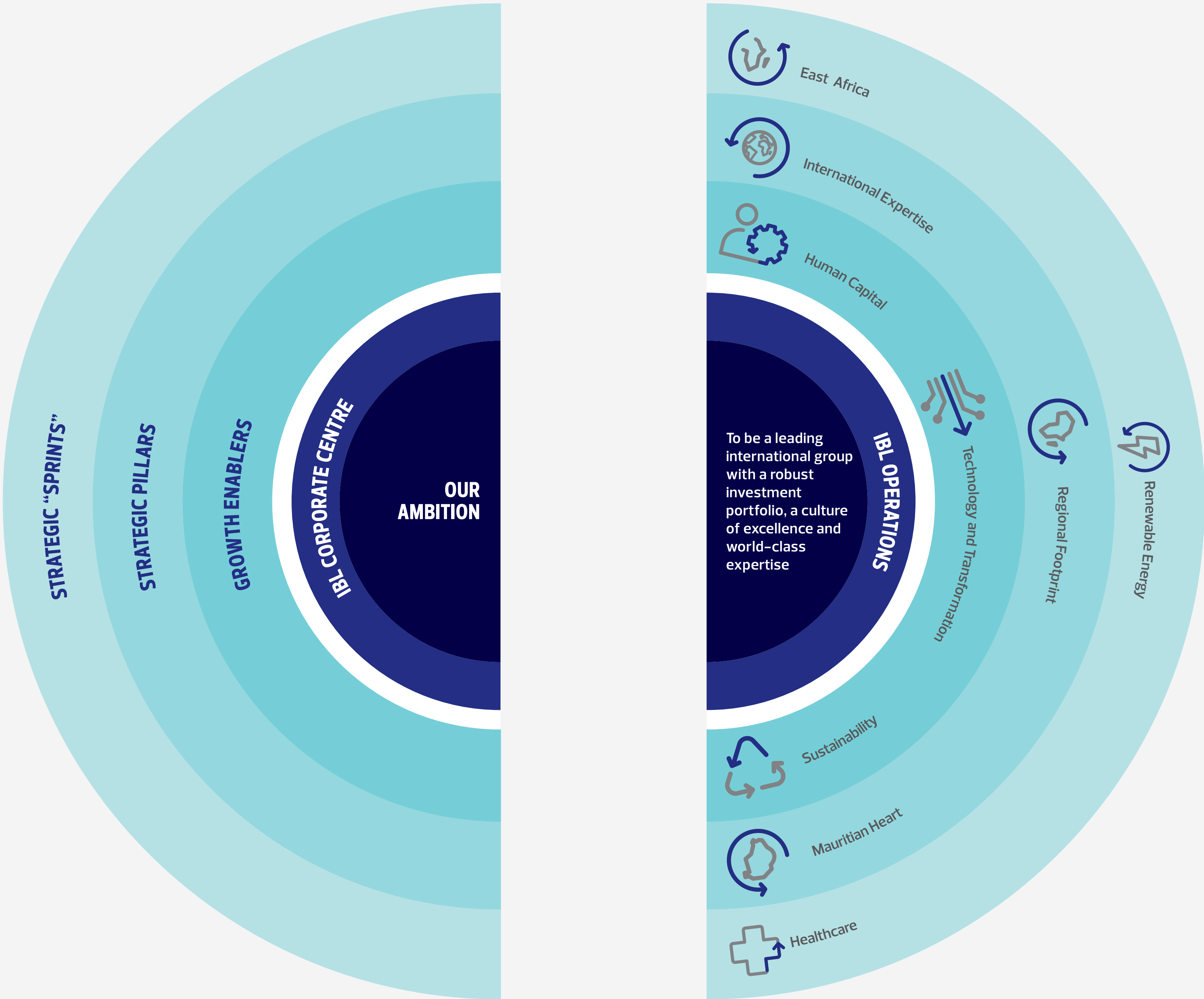
Cluster review, page 112

Manufactured Capital

The fixed assets such as property, equipment, digital assets, vehicle fleets and infrastructure that enable us to do business and create value.

Cluster Review, page 112

ENABLE OUR BUSINESS ACTIVITIES



Strong frameworks for governance and risk, including an independent, diverse Board of Directors with committees that oversee the Group's strategy, risk management and financial health.

THAT CREATE VALUE FOR OUR STAKEHOLDERS

IBL seeks to create sustainable value for...

- Our team members
- Clients and customers
- Communities, NGOs, vulnerable populations and families
- Investors and Shareholders
- Government, regulatory and institutional bodies
- Suppliers

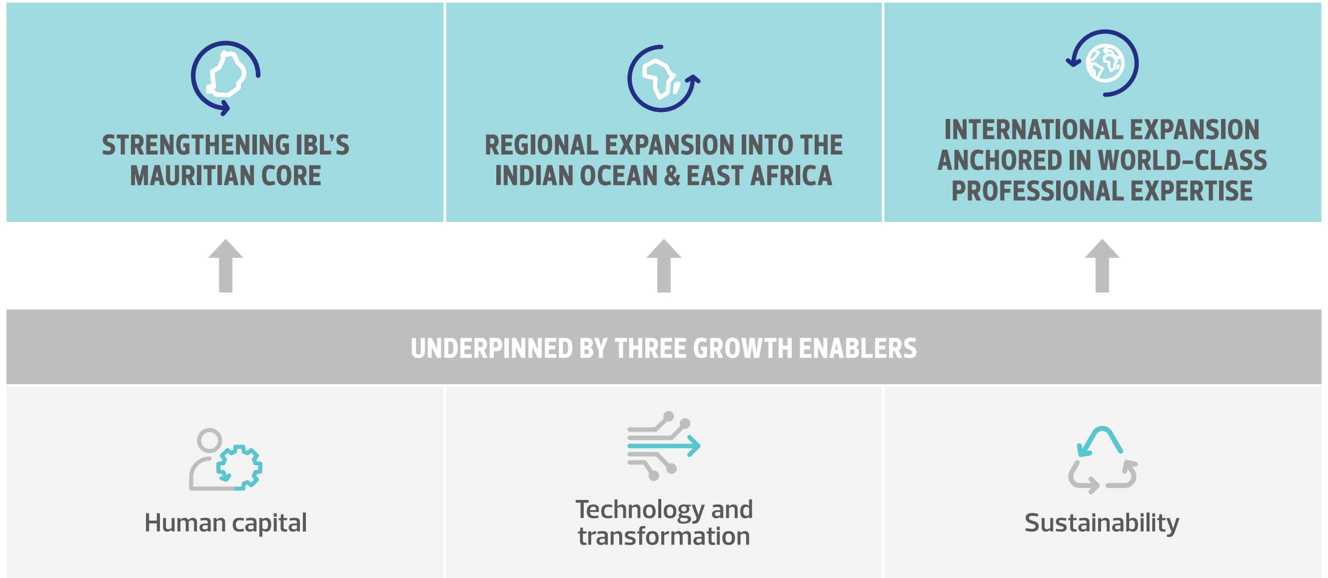
See Stakeholder Report, page 70

IBL'S STRATEGY

IBL'S STRATEGY

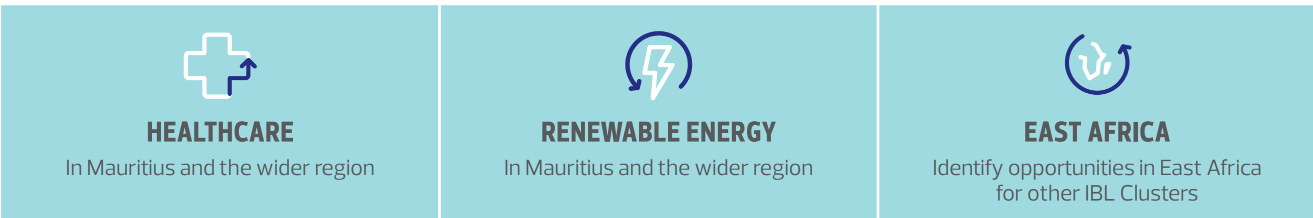
IBL developed a holistic strategy for its activities in 2017, one year after the amalgamation of Ireland Blyth Limited and GMLI, in the aim of becoming a leading international group with a robust investment portfolio, a culture of excellence and world-class expertise.

Our strategy is anchored in the three pillars below:



While IBL has largely followed its roadmap over the past three years, the group has had to adapt to a changing context. We have experienced unforeseen challenges in some sectors, but other areas of activity have presented new opportunities. Our African ambitions have grown, as reflected by the creation of our African Office in Nairobi and our ongoing work on M&A opportunities, while healthcare and renewable energy have emerged as strong areas of future growth for IBL.

During the financial year, with support from McKinsey, IBL undertook a strategic review to identify opportunities and define expansion strategies for the following three 'sprints'. For each sprint, IBL aimed to define investment objectives, entry and long-term strategies, key success factors and financial criteria.



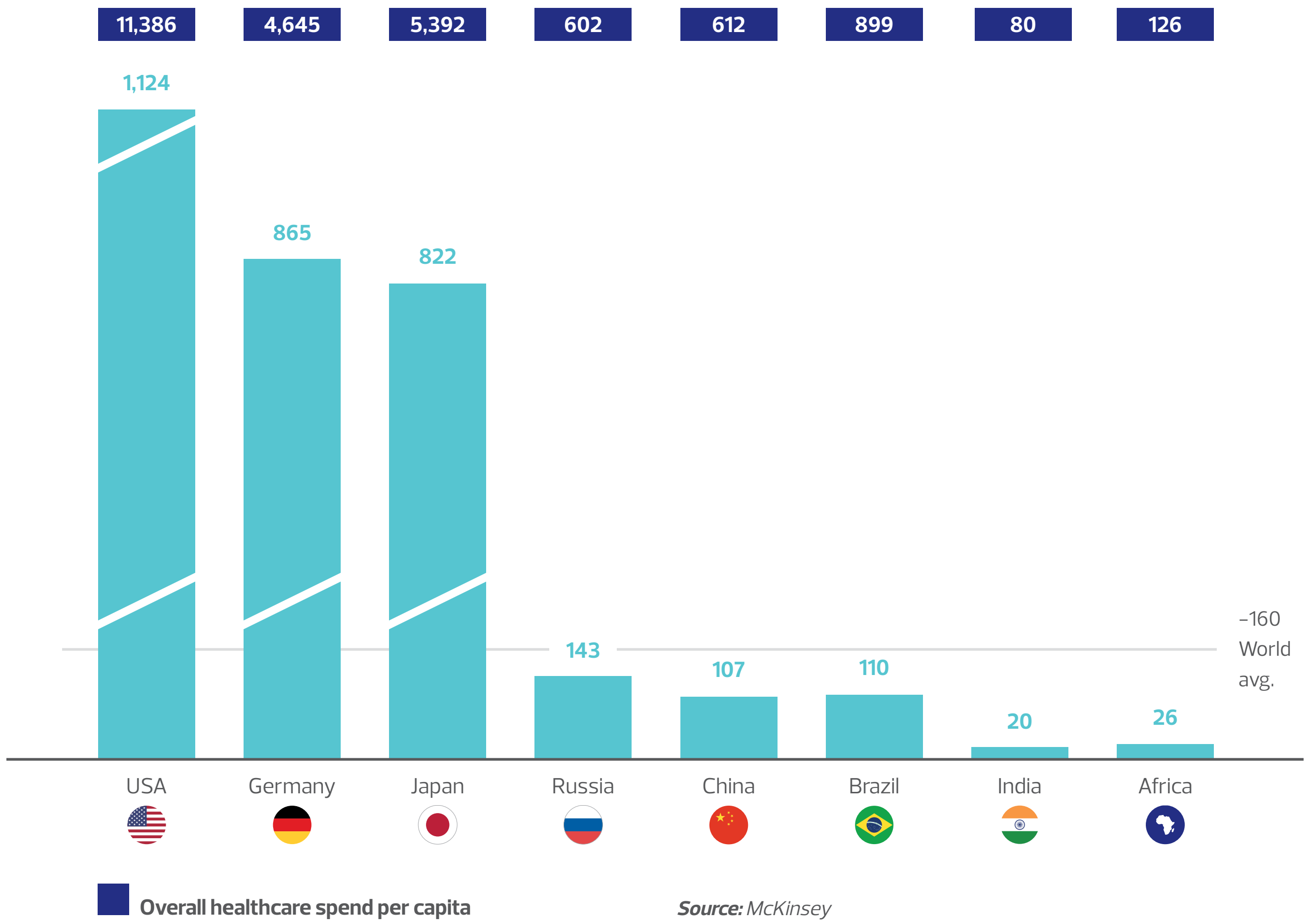
Governance, human capital management and performance management – will be crucial if we are to achieve these objectives. Please see our Corporate Governance Report and Human Capital Report for more information.

HEALTHCARE

The Pan-African pharmaceutical market is worth circa USD 26 billion and is expected to grow at a rate of ~ 5% annually over the next 5 years, potentially reaching circa USD 33 billion by 2024. In sub-regions of Eastern and Western Africa, the sector is expected to grow 7% to 10% annually until 2024, driven mainly by demographic changes and increased health spend.

Africa's pharmaceutical market is currently under-penetrated. Pharmaceutical sales per capita across the continent are $1/6^{th}$ of the world average. While South Africa and Algeria sit at the higher end of the consumption ladder, large countries such as Ethiopia, Ghana and Nigeria have a per capita spend of $1/10^{th}$ of the world average. This is likely to increase significantly in the future.

Pharmaceutical sales per capita, USD 2019
Africa vs rest of the world



Source: *McKinsey*

We believe that there are significant opportunities for IBL to capture part of this future growth. IBL already operates in healthcare at two ends of the value chain spectrum: in clinical research and testing on one end; and in the distribution of pharmaceuticals and consumables (wholesale and retail) and supplying medical equipment in the region on the other.

Our existing knowledge base could provide meaningful "USP" with which to develop our activities in Africa. Given our small size, we will need to be selective in our investment strategy.

IBL'S STRATEGY

Going forward, IBL intends to focus on:

MAURITIUS AND INDIAN OCEAN ISLANDS	MAINLAND AFRICA
· Enhancing product range and efficiency in pharma, consumables, and medical equipment · Growing our footprint in retail · Developing clinical trial and testing capabilities	· Evaluating organic and inorganic opportunities to invest in healthcare businesses

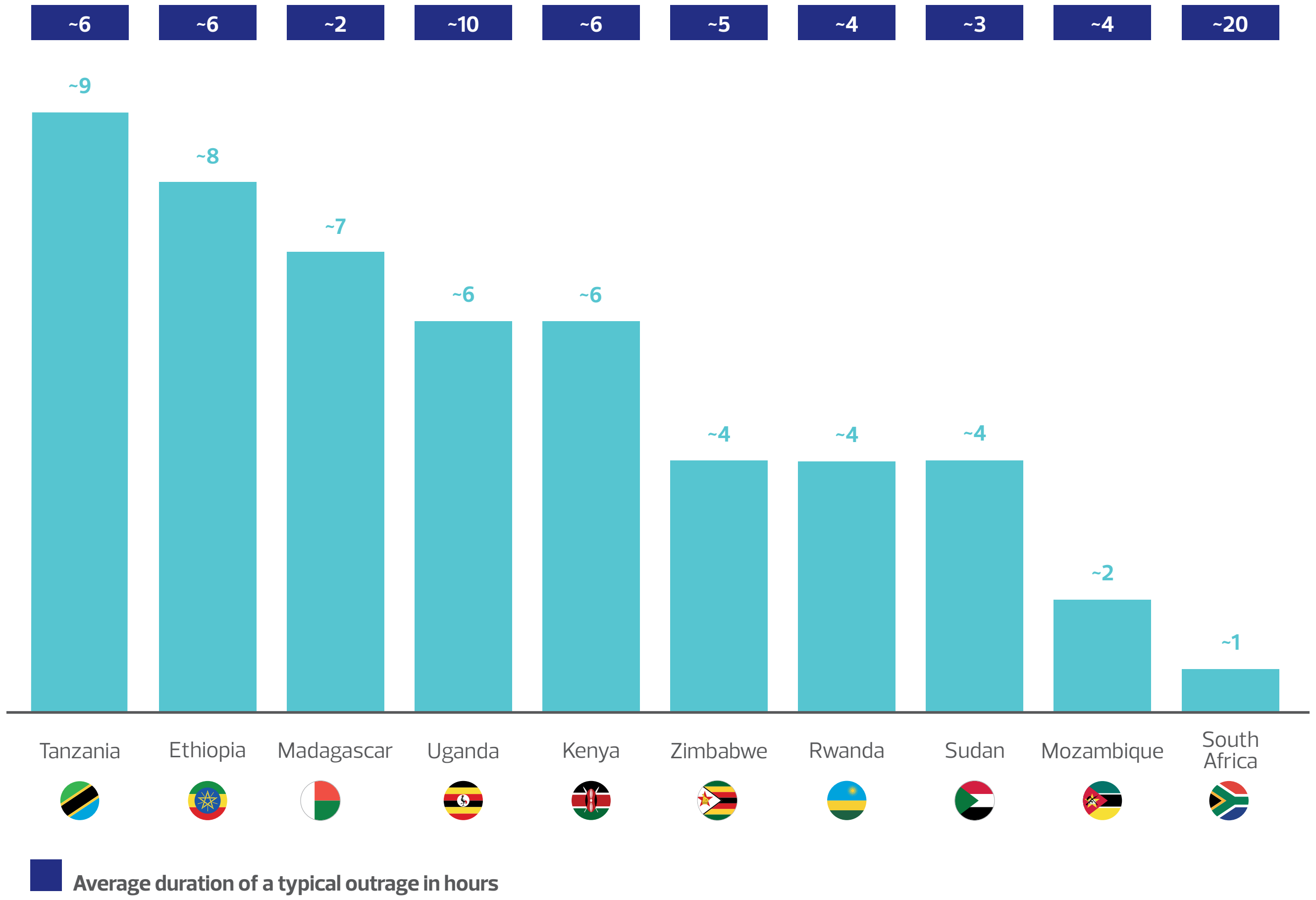
RENEWABLE ENERGY

The energy sector is an attractive area of growth in Africa and in the world. Wind and solar sources of energy now represent more than half of the new "additions" to production capacity worldwide. And with the African population set to double to 2.5bn by 2050, energy demands on the continent will increase, with new infrastructure needing to be built to accommodate its demographic growth. It is estimated that 100,000MW of capacity will be added in Africa by 2035.

A significant number of players – both equity and debt investors – have already taken up position on the continent. With the continent currently suffering from significant power supply outages, competition to develop efficient systems will continue to offer new opportunities in the sector.

Number and duration of electrical outages in a typical month in Africa,

#, latest available data per selected country



***Poor maintenance** of existing plants have led to an undersupply of power while CAPEX (especially for transmission) is challenging to secure*

Beyond "typical" energy assets (i.e., non-renewables and traditional renewable energy facilities such as solar farms and wind turbines), new niche areas – such as biofuel from biomass or waste – are emerging. These represent attractive areas of investment, especially given the waste biomass already produced by certain IBL subsidiaries and the group's current plans to convert waste to energy.

The COVID-19 pandemic will also inevitably have an impact on the energy sector in Africa, and on conventional production in particular. This will present new investment opportunities.

IBL Group recognises that the energy sector is extremely diverse. Our size and investment capacity mean that we will need to be highly selective in our investment approach and focus on niche areas.

We will evaluate investment opportunities according to the following criteria:

1. Where to go – i.e., which countries to invest in
2. Whom to serve – i.e., what customer segments to target
3. What technology to use

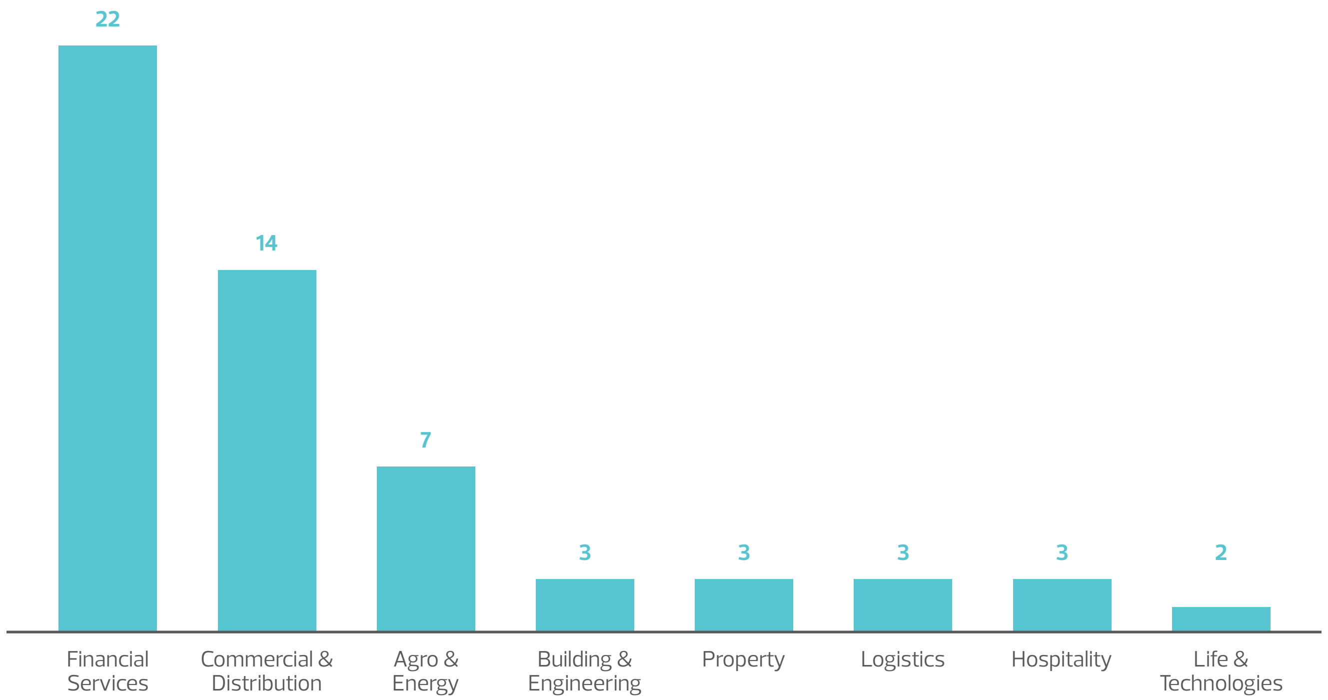
EAST AFRICA

There have been several mergers and acquisition transactions in East Africa in the recent past, confirming that industry players are interested in developing their presence on the continent.

IBL has created an African Regional Office in Nairobi and our team has developed a strong network on the continent. We are constantly evaluating potential opportunities in these sectors and aim to invest if they satisfy our strict internal investment guidelines for risk vs. returns.

Transactions by IBL cluster,

#,2018-2020



Having reviewed our strategic intent and approach for East Africa, we have re-affirmed that IBL should aim to be a strategic investor open to taking minority stakes and that IBL's value proposition should anchor IBL's expertise.

IBL has prioritised six key sectors for regional expansion: logistics, healthcare, renewable energy, retail & distribution, industrial property, and financial services. We strongly believe we can generate value in all of these.

SUSTAINABILITY

IBL'S ESG STRATEGY

The COVID-19 pandemic has made it clear that businesses need to integrate resilience and agility into their business models. The magnitude of the environmental and social challenges that we face, is pushing companies to rethink how they do business. Businesses that pay attention to environmental, social, and governance concerns perform better on average and a strong sustainability proposition can help ensure a company's long-term success. Companies with a strategic focus on sustainability and transparency are also typically much more agile in responding to unexpected events.

Worldwide, there is also increasing demand, from investors, for firms to take sustainability considerations into account and report on their environmental, social and governance strategies (ESG).

ESG issues

ENVIRONMENTAL PILLAR

Climate change	Natural resources	Pollution & waste	Environment opportunity
Carbon emissions	Water stress	Toxic emission & waste	Opportunities in clean tech
Product carbon footprint	Biodiversity & land use	Packaging material & waste	Opportunities in green building
Financing environmental impact	Raw material sourcing	Electronic waste	Opportunities in renewable energy
Climate change vulnerability			

SOCIAL PILLAR

Human capital	Product liability	Stakeholder opposition	Social opportunity
Labor management	Product safety & quality	Controversial sourcing	Access to communication
Health & safety	Chemical safety		Access to finance
Human capital development	Financial product safety		Access to health care
Supply chain labor standards	Privacy & data security		Opportunities in nutrition & health
	Responsible Investment		
	Health & demo. risk		

GOVERNANCE PILLAR

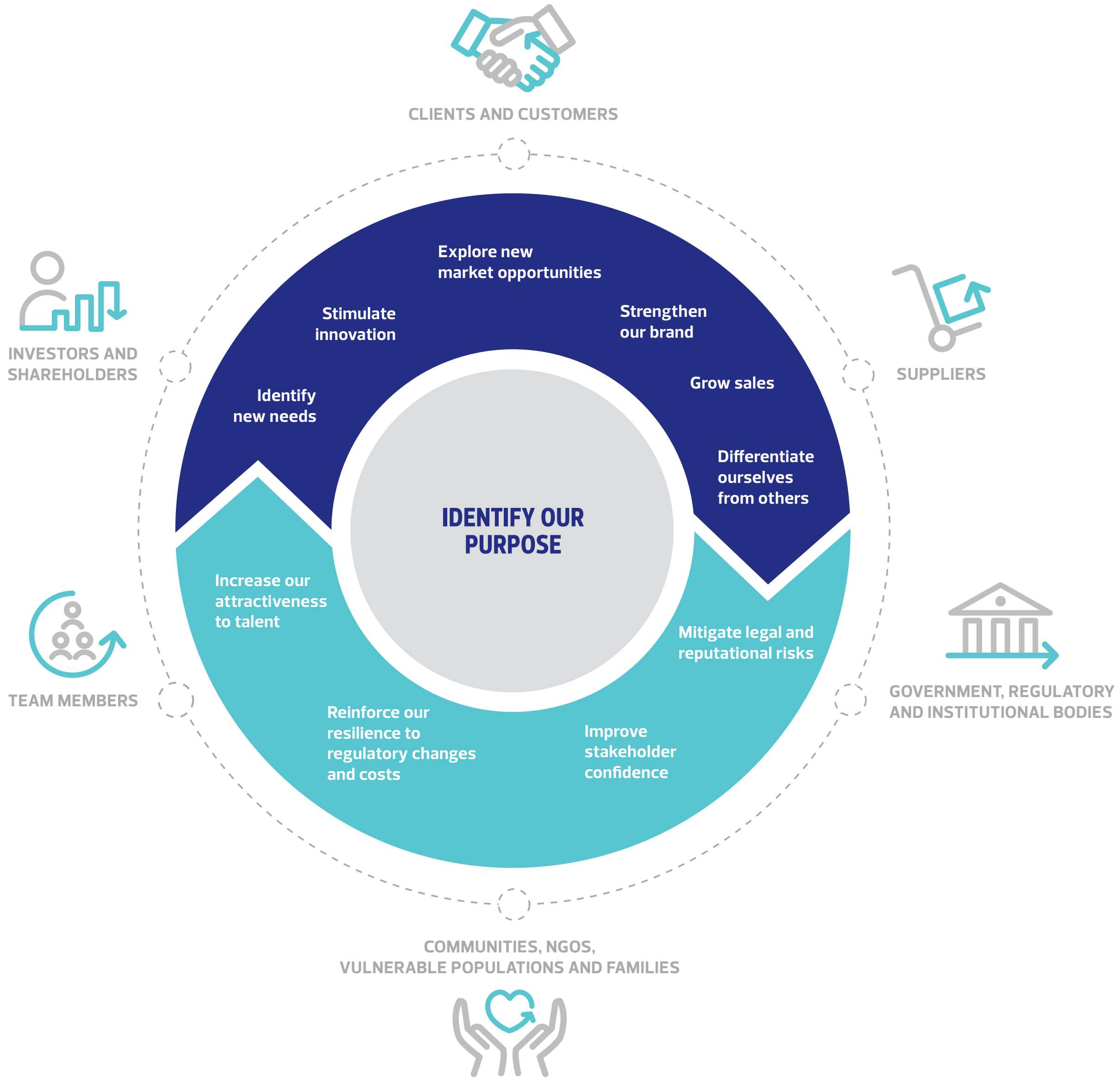
Corporate governance	Corporate behaviour
Board diversity	Business ethics
Executive pay	Anti-competitive practices
Ownership	Corruption & instability
Accounting	Financial system instability
	Tax Transparency

Source: *PwC*

A focus on ESG issues supports IBL's core business and sustainability strategies, while ensuring that we are living up to our corporate values, making ethical decisions and engaging with our stakeholders. By consistently scrutinising our investment and business decisions, from an ESG perspective, IBL also believes it can mitigate ESG-related risks and capture business opportunities arising from ESG trends, enhancing the value we create for our stakeholders.

SUSTAINABILITY

The benefits of an ESG approach

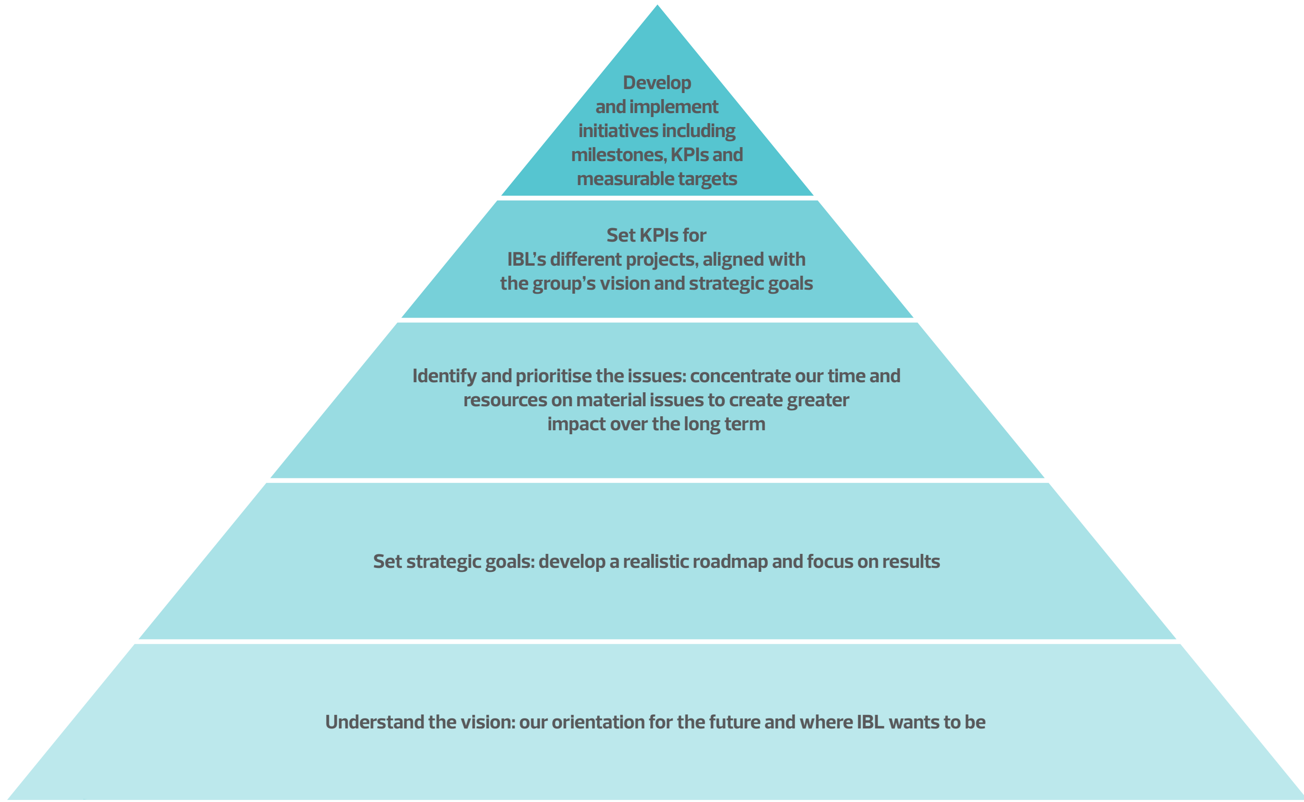


Source: *Deloitte*

See Stakeholder Report page 70

IBL is due to publish an ESG roadmap in December 2021. This will guide investment, drive performance and engage stakeholders. Its successful implementation will depend on our ability to integrate ESG into our overall business strategy, building on IBL's vision and purpose.

How we are developing IBL's ESG roadmap



We have now started to develop dedicated ESG Task Forces to integrate sustainability matters across IBL's core processes. The Task Forces are led by senior executives and staffed with team members from different operations and functions. This will ensure top-level alignment and buy-in, as well as cross-functional integration, collaboration and support.

The Task Forces' main role will be to develop and coordinate projects and proposals for ESG integration into the business. The aim is to align proposals with ESG criteria prior to their being signed off by the Boards of our various operations.

Going forward, we also intend to report on IBL's performance against ESG risks, opportunities, and related strategies, using both qualitative disclosures and quantitative metrics.

WE SUPPORT

IBL's commitment to the UN Global Compact

IBL has been a participant in the UN Global Compact since 2017 and is a Founding Member of the Global Compact Local Network (Mauritius). IBL, AfrAsia Bank and The Lux Collective continue to support the Compact's 10 Corporate Sustainability principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

SUSTAINABILITY

ENVIRONMENT

The environmental pillar of our ESG strategy will focus on how IBL can meaningfully help preserve the natural world and mitigate the impact of climate change. We will aim to integrate environmental criteria (e.g. resource use, carbon emissions) into business decision making across the group, and have already identified renewable energy as a key strategic growth area. Some of the group's other environmental initiatives are set out below.

Seafood

From fish unloading to co-product processing, IBL's Seafood Cluster is vertically integrated. Its ambition is to become Mauritius' first zero-waste industry. In partnership with Green Create, the group has started construction of a waste to value plant that will treat the effluent of the processing and fishmeal plants, converting them into energy in the form of methane and running their boilers with biogas. This will reduce the operations' $C0_2$ emissions by 12,500 metric tonnes per year. IBL also works closely with other seafood industry players and the Mauritian government to ensure that yellowfin tuna catches are managed to achieve sustainable stock levels.

PhoenixBev

PhoenixBev is creating the Phoenix Earth Initiative, a platform through which it intends to:

- Raise public awareness about issues linked to PhoenixBev's activities
- Support and communicate about non-PhoenixBev initiatives relating to PBL's production activities (in particular its packaging) and their impact
- Support PhoenixBev initiatives regarding responsible production

The aim is to encourage projects relating to climate action, responsible consumption, and environmental education among other issues; explain how it supports its customers in making responsible decisions and reduce visible pollution from primary packaging; and collaborate with NGOs and institutions to reduce packaging pollution through collection schemes and other activities. It also seeks to provide staff training to create a sustainability culture within the company.

The Lux Collective and Lux Island Resorts

In line with its purpose, "We Care About What Matters", The Lux Collective is currently accelerating its journey to achieve net-zero emissions by 2050. It is the only hotel group in Mauritius to set a science-based target in line with the Paris Agreement and the United Nations Global Compact Business Ambition Campaign. Following the implementation of an off-grid photovoltaic plant at Ile des Deux Cocos in 2017 and the world's largest floating photovoltaic plant at LUX* South Ari Atoll (Maldives) in 2018, the group has finalised its applications to the authorities to equip its resorts with photovoltaic plants. This renewable energy project, of a total capacity of 1,226 kVA, is being implemented in collaboration with IBL Energy. It will include ongoing energy efficiency audits to find cost-effective solutions to further reduce emissions.

AfrAsia

AfrAsia Bank has benefited from a €10 million (Rs 470 million) green line of funding as part of the SUNREF Mauritius programme run by the Agence française de développement (AFD). This partnership between AFD and AfrAsia Bank will help fund sustainable projects run by businesses and individuals and build the Mauritian economy's climate resilience.

The SUNREF programme aligns with the AFD's ambitious strategy to address climate change and inequalities. The AFD is committed to contributing to the UN's Sustainable Development Goals (SDGs) and the Paris Agreement; energy and the ecological transition are among their top priorities.

SOCIAL

At the heart of IBL's social commitments are its people: its employees, customers, partners and suppliers. Our human capital approach, set out on page 64, addresses sustainability issues including health and safety, diversity and inclusion, skills development and employee engagement. These issues are increasingly important in today's uncertain and fast-changing operating environment.

As a business whose purpose is to create a brighter, more sustainable future for all, IBL is also deeply committed to sustainably reducing poverty within its community. We are aware that the economic and social disruption caused by COVID-19 is disproportionally affecting the most vulnerable and disadvantaged in Mauritius.

Fondation Joseph Lagesse: IBL's key CSR entity promoting social inclusion

IBL primarily channels Corporate Social Responsibility (CSR) funds through the non-profit organisation Fondation Joseph Lagesse (FJL). FJL's Board of Directors adopted a new strategic plan for 2020- 2023 to optimise its resources while continuing to serve its target beneficiaries. The plan groups FJL's activities into three programmes – an Empowerment Programme, a Literacy Programme (to be designed and implemented next year), and a Rapid Response Programme – supported by a Research and Evaluation Unit.

The foundation also aims to position itself as a capacity-building entity that works much more closely with the CSR teams within IBL Operations. FJL aims to help IBL entities develop and deliver their CSR initiatives, creating long-term, positive change in the communities they work in.

FJL's core programmes

EMPOWERMENT PROGRAMME	LITERACY PROGRAMME	RAPID RESPONSE PROGRAMME	RESEARCH AND EVALUATION UNIT
A foundational pillar of FJL's strategy, the Empowerment Programme aims to empower and build capacity within vulnerable communities. Through this programme, FJL also works with IBL Group entities to identify and assess their stakeholders' needs, point them towards partner NGOs or vulnerable communities and encourage them to get involved on the ground.	Promoting literacy is crucial to sustainably reducing poverty. Through this programme, FJL aims to ensure that its beneficiaries (both adults and children) learn to read, write, and count. This programme is currently being defined and will be implemented in 2021-22.	FJL's Rapid Response Programme was defined following events in 2020 – including the COVID-19 pandemic and the sinking of the bulk carrier MV Wakashio – that created significant hardship in Mauritius. The programme allows FJL to respond to emergency situations by providing: · Social support · Psychological support · Food security	Created in 2018, FJL's research unit is a critical part of its new strategy. It allows the foundation to assess the impact of its programmes and better target its initiatives. The unit is currently setting up a data bank. The data will be used to implement evidence-based community support programmes based on international standards.

GOVERNANCE

IBL recognises that good governance and sustainability are intrinsically linked. Sound corporate governance is key to our group's longevity, while business ethics, good corporate behaviour, regulatory compliance and transparency all have a major impact on the trust our investors and other stakeholders place in us. The Board is committed to ensuring that the highest standards of governance are met so that IBL can continue to create sustainable value. Our Corporate Governance Report on page 134 sets out our governance arrangements in greater detail.

HUMAN CAPITAL

ONGOING DELIVERY OF OUR STRATEGY AND A FOCUS ON DIGITALISATION

Throughout the past year, IBL continued to deliver on its human capital strategy. In the long term, our goal is to ensure that we attract and onboard the right skills and capabilities to support the Group's wider strategy and ongoing competitiveness. The main pillars of our strategy are set out below.

IBL's Human Capital strategy

Harmonise The Group's Human Capital Approach	Strengthen The Group's Succession Planning And Recruitment Strategies	Help Businesses Transform Through Leadership Development	Attract Top Talent	Digitalise Processes

IBL's Human Capital Services, located in the Corporate Centre, continue to provide IBL Operations with the tools and advice they need to deliver their individual human capital strategies. Technology remains a key facilitator, particularly in the context of the COVID-19 pandemic, with remote work becoming the new normal for many IBL Operations. IBL also continues to implement its cloud-based 'People Online Platform' (POP), a fully integrated Human Capital Platform whose first phase provides Operations and team members with access to employee records and payroll. In addition, the Group Talent and Leadership Service has expanded its provision of digital training sessions, notably delivering specific training to the Group's leadership team remotely.

Back to Essentials and Best Practices

This year, IBL pursued its efforts to define a common "Back to Essentials and Best Practices" roadmap in order to harmonise how human capital is dealt with across the group. The roadmap, announced in FY 2020, aims to strengthen IBL's capabilities on fundamental issues such as recruitment, onboarding, training, and remuneration while developing our talent and leadership capabilities. It seeks to address every aspect of the employee lifecycle, from attracting talent to offboarding.

Employee lifecycle

This year, we defined group-wide frameworks for mobility, talent management, safety & health competencies and other human capital processes. The aim is to harmonise the approach to these vital practices across IBL Operations and subsidiaries while enhancing their business capabilities. The challenge going forward will be to implement these practices and processes on the ground.

Next steps

In the coming financial year, IBL will define and implement a new Group Human Capital Governance Framework. This is the next step towards creating standard practices and achieving operational excellence across the Group, while respecting each operation's specificities, giving them the flexibility they need and allowing them to be agile.

We are also extending our succession planning and talent management to the whole Group, including subsidiaries. We will organise a talent review day at a later stage to give us a broad overview of the talents that exist within the Group.

As part of the development of its employer brand and of its "Attract" strategy, a digital recruitment campaign will be organised to invite our future talents to embark on the IBL journey.

Finally, IBL is exploring a potential expansion into Africa and has started to work on an internal capacity-building programme.

PEOPLE ONLINE PLATFORM

The implementation of IBL's POP is being carried out in two phases:

- Phase 1: HR core, payroll, time & attendance and leave management
- Phase 2: performance management, learning, recruiting, onboarding, succession planning and offboarding.

Phase 1 began last year and continued in the current year, with phase 2 due to begin at the end of the 2021 calendar year.

The POP's implementation is managed by a dedicated project team within the IBL Corporate Centre as well as project teams within each Operation. Despite the challenge of COVID-19 distancing and sanitary measures, the POP was successfully rolled out to a first and second wave of companies this year. These included Winners, Bloomage, commercial and healthcare operations, the engineering cluster, energy as well as the corporate centre. Approximately 3,500 employees were onboarded as part of Phase 1. Companies in the Financial Services, Logistics and Seafood Clusters are currently being onboarded and will have access to the HR and payroll module by December 2021.

To ensure the POP's successful implementation, the Group project team ran communication campaigns about the platform alongside awareness-raising sessions and trainings attended by all employees. Key users have been nominated within each IBL Operation to coordinate the implementation and use of the platform at company level. The project team has had to be agile and adapt to each business' individual requirements and operational needs while carefully project managing the POP's implementation. This remains a considerable challenge.

The POP allows IBL Operations to optimise their human capital planning. It has formalised key processes for human capital management across the Group and will enhance the employee experience. Thanks to the use of analytics, we hope to improve our decision-making processes regarding innovative and value-added ideas.

HUMAN CAPITAL

TALENT AND LEADERSHIP DEVELOPMENT

The pandemic has forced us to consider new ways of communicating, developing learning content and delivering courses to our employees. Although IBL's investment in training and development has been deferred due to COVID-19, the Talent and Leadership team has found creative ways to continue to develop the Group's human capital. We have begun to create learning environments using digital platforms and successfully delivered online training on complex topics such as leadership development, with excellent take-up rates among participants.

Throughout the year, we continued to develop our leadership framework and carried out a second Talent Review for all IBL Operations. This exercise was an opportunity to carry out a risk assessment for key talent in business-critical roles. Succession plans were devised for these roles and we defined a number of development plans to build the capabilities of our existing talent.

The Talent Review will subsequently be extended to include all IBL Group companies (e.g. Lux Island Resorts, PhoenixBev, UBP, Alteo, AfrAsia, etc). This will be an excellent opportunity to evaluate the Group's talent pool overall.

In addition, we are defining guidelines for mobility within the Group. The aim is to offer development opportunities to our employees and to assess key roles, especially those in demand post-COVID-19, while developing our employer brand and attractiveness.

Our next objective is to prepare the Group for its expansion outside Mauritius and into African economies in particular. We anticipate that this will be a challenging and exciting journey for both our local talent and our future international talent.

CONTINUING TO PROTECT OUR PEOPLE FROM COVID-19

IBL continues to make every effort to keep its people and wider stakeholders safe.

- **A group-wide vaccination campaign** and awareness-raising about the importance of vaccination, particularly for frontliners. To date, 93% of Corporate Centre staff and 78.5% of team members in IBL Operations have been vaccinated. Sessions about precautions to take and the benefits of vaccination were run by medical professionals and awareness-raising videos were created and communicated to staff.
- **Ongoing Safety & Health protocols to keep teams safe**, including reinforced Safety & Health precautions and communications, social distancing, temperature checks, and the use of masks or face shields and hand sanitiser in offices.
- **Work-from-Home protocols,** building on an existing Flexibility Scheme for the Corporate Centre.
- **Creation of a week on / week off rota system for Corporate Office teams:** each department's teams have been split in two, with each group alternating between working from the office and working from home at different times. This ensures the Group's business continuity should a team member become infected with COVID-19.
- **Access to remote psychological counselling and support** for Corporate Centre team members, as well as other wellness initiatives such as access to a nutritionist to help teams adopt healthier lifestyles.
- **Remote learning opportunities.**
- **A review of risk assessments** was undertaken within different business units, including the Corporate Centre and our commercial activities, using the COSO Enterprise Risk Management Framework, to ensure we are able to take swift action in response to cases of COVID-19 and to any future pandemic.

TECHNOLOGY & TRANSFORMATION

1. DIGITAL READINESS AT IBL

IBL's digital strategy has never been more central to our group's success. The COVID-19 pandemic has normalised working from home, changed our customers' digital habits and expectations, and driven a rise in the adoption of e-commerce models among IBL Operations.

In order to use new technology to create value for our businesses and customers, we need to achieve a consistent level of group-wide digital readiness. This is key to digital projects being successfully implemented, with users embracing new technology solutions while safeguarding our cyber-resilience and security. We also need to embed a "digital-first" mindset among our teams, to ensure that digital transformation is seen as a continuous process, and to constantly update our IT management and governance standards in line with international best practice.

The COVID-19 pandemic has also increased cybersecurity-related risks worldwide, as more and more businesses and clients go online and working from home becomes the norm. IBL continues to focus on assessing and reinforcing cybersecurity controls and organisational preparedness to mitigate the potential impact of cybersecurity incidents. Going forward, we will continue to reinforce cybersecurity measures as the technology landscape evolves in order to protect our business.

A new technology framework

During the year, IBL therefore reviewed certain parts of its digital roadmap and began to implement a new Information Technology Governance Framework. It consists of a set of the best practices and procedures to help IBL businesses optimise the value of IT by effectively using resources and minimising their IT risks. It also aims to ensure that each business undergoes a regular maturity assessment while maintaining or improving the maturity of IT processes and practices critical to its business activities. Through this framework, IBL seeks to harmonise technology management and governance standards across all companies within the Group.

The framework is based on ISACA COBIT 2019, a globally recognised framework for the governance and management of business IT. It is aligned with the recommendations set out in the Mauritius Code of Corporate Governance. Its main pillars are set out below.

IBL'S IT GOVERNANCE FRAMEWORK	
Infrastructure & Operations	Manage IT assets through out their lifecycle, establish and maintain enterprise architecture, respond to user requests and resolve incidents
Project Management	Ensure that IT projects are aligned with business strategy, are appropriate to business needs and executed according to defined processes. Facilitate change management by applying best practice
Security & Risks	Standardise frameworks for cybersecurity governance and management, compliance, business continuity and ensure that IT risks are identified and adequately addressed in line with IBL's Risk Management framework
Application Portfolio Management	Manage the organisation's suite of applications by assessing the value they provide relative to their cost
Finance	Set standards for budget management, budget optimisation and vendor management
Data & Analytics	Harmonise IBL businesses' approach to data architecture, governance and quality, and develop data analytics competences across business functions
Technology Governance & Strategy	Develop a consistent approach to IT governance, strategy and performance management
Resources	Ensure that IBL has the IT human resources to execute an IT strategy that supports the group's wider business strategy

TECHNOLOGY & TRANSFORMATION

Enhanced IT governance

To oversee the framework's implementation, IBL has created a new Information Technology Committee that reports to the IBL Board of Directors' Audit & Risk Committee. In line with the Mauritius Code of Corporate Governance, the IT Committee is responsible for governing the group's information technology and cybersecurity. It also monitors and evaluates IT-related investments and costs and ensures that information assets and IT-related risks are effectively managed.

Assessing existing IT standards and digital competencies

As a first step towards implementing the framework, IBL is carrying out an assessment of the technology governance and management in all IBL Operations. This assessment is due to run until March 2022.

Within IBL's corporate centre, the group's IT and Digital Transformation teams have now been merged into a single Technology & Transformation team. The team will help IBL businesses build their technological capabilities, adopt innovative methodologies, and implement appropriate IT strategies. The focus is on restructuring, upskilling existing staff and recruiting specialist competencies to ensure that the Technology & Transformation team has the right skillsets internally to achieve these goals.

Alongside this, IBL is working to consolidate the competencies within technology teams in IBL Operations and subsidiaries. The aim is to ensure that our IT teams members have the right tools and skillsets to deliver on IBL's digital roadmap, now and in the future.

2. DELIVERING OUR DIGITAL TRANSFORMATION

IBL continues to deliver on its digital transformation while prioritising projects according to current business needs and market conditions. The ongoing COVID-19 pandemic and a second national lockdown in Mauritius delayed several digital projects.

1 Develop new **value propositions** and extend our offers across digital channels to generate revenue	2 Achieve **operational excellence** by digitally transforming our processes and our ways of working	3 Disseminate and embed a **digital culture** to strengthen capabilities and collaboration, and attract talent	4 Increase customer loyalty through an exceptional **customer experience**
Progress made in 2020-21			
· Completed all major e-commerce projects initiated during the first COVID-19 lockdown in Mauritius. · Shift of focus towards the implementation of core systems in IBL Operations and subsidiaries, in order to launch new customer service and value propositions in the future.	· Reviewed, upgraded and optimised existing ERPs and core systems in several business units (Winners, Froid des Mascareignes, DTOS). · Deployed payroll and time & attendance modules of IBL's People Online Platform (POP) within Corporate Centre and most IBL Operations.	· 30+ managers and C-level executives began a one-year online data literacy programme to enhance their skills, with modules ranging from data and AI fundamentals to the use of advanced data analytics platforms. · Change management and employee engagement programmes: technical training as well as awareness-raising sessions whenever a new digital platform is deployed. · New technology forums bringing together IBL Operations' CEOs, COOs and technology leads: information-sharing, creation of synergies between businesses, engagement of leadership in the group's digital transformation strategy.	· Start to develop personalised customer experience and pursue customer service excellence for wiiv members by leveraging data analytics.

2. DELIVERING OUR DIGITAL TRANSFORMATION (CONTINUED)

1 Develop new **value propositions** and extend our offers across digital channels to generate revenue	2 Achieve **operational excellence** by digitally transforming our processes and our ways of working	3 Disseminate and embed a **digital culture** to strengthen capabilities and collaboration, and attract talent	4 Increase customer loyalty through an exceptional **customer experience**
Outlook/Objectives for 2021-22			
· Continuously improve the user experience offered by e-commerce interfaces to reflect changing customer expectations and needs.	· Consolidate data governance framework and continue to develop data analytics and business intelligence. · Deliver on next phases of core system implementation at Marine BioTechnology Products/Cervonic, DTOS and Eagle among other business units. · Complete implementation of payroll and Time & attendance modules across all IBL Operations. · Implement next phase of POP in Corporate Centre and Operations: performance management, recruitment and talent management modules.	· Includes workshops on digital themes attended by cross-functional teams within Operations. · Deploy new digital collaboration and communication platforms.	· Continue to develop ecosystem of wiiv partners. · Deploy B2C portals and mobile applications in other business units.

WINNER'S

Winner's needed a platform tailored to their core needs as a retail business, from tracking expired products to ordering out of stock items in a timely manner. The business selected "CGI Retail Suite", a solution developed by retail professionals specifically for the industry and used by Europe's largest retailers in thousands of shops and warehouses across 20 countries. The team migrated Winner's 25+ sites onto the system within a year despite the challenges of the COVID-19 pandemic. The benefits have been substantial. CGI provides insight into profitability, cashflow and shrinkage, contributing to marginal gains. It sends automated alerts and notifications about important metrics and delivers an enhanced customer experience by allowing the business to better manage its stock-out rate and product assortments.

FROID DES MASCAREIGNES (FDM)

FDM implemented Oracle Netsuite, a cloud-enabled enterprise management solution, in July 2021. The system's go-live was preceded by a rigorous selection process to find the right platform, implement it with appropriate technology infrastructure and ensure user acceptance. Disciplined project and change management process allowed FDM to go live with the system in 18 months, despite COVID-19-related restrictions.

The system is already improving FDM's productivity, staff engagement and agility vis-à-vis their customers: compliance staff are able to obtain real-time information on their tablets; FDM's operations and its cold rooms have complete visibility over their processes; and customers receive pre-scheduled financial and operational reports.

HOW WE ENGAGE WITH OUR STAKEHOLDERS

STAKEHOLDER GROUP	KEY ISSUES	HOW WE ENGAGE	HOW THEY ENABLE IBL TO CREATE VALUE	
IBL TEAM MEMBERS	· Enhanced safety and health measures in the context of COVID-19 · Mental health support and wellbeing at work · Job security · Opportunities for personal and career development · Communication and involvement in decisions regarding the group's activities, strategy and sustainability · Fair remuneration, performance management and recognition · Ethical labour practices	· Ongoing prioritisation of the health and safety of our employees in the context of the COVID-19 pandemic: precautionary measures, remote working, and a vaccination campaign for group staff · Wellness activities (including a Wellness Week), medical screenings and staff access to a psychologist from FY 2020 to end FY 2021 · Introduction of a leadership framework as part of performance reviews · Ongoing promotion of gender diversity and inclusion across the group via the IBL Group Gender Matters charter, guidelines and action plans · Continued commitment to providing an excellent employee experience · Improved communication with team members, including via *together*, the IBL Group magazine launched in September 2020, and our People Online Platform	Our people's skills, experience and productivity allow us to deliver on our strategy	COVID-19 response page 16 Human Capital page 64
CLIENTS AND CUSTOMERS	· Innovative and high-quality products and services · Enhanced safety and health protocols in the context of COVID-19 · Excellent client service, including prompt issue resolution · Secure, convenient digital offerings that protect client privacy and data and reflect changing customer needs · Transparent communication regarding group activities and decisions that affect clients · Loyalty rewards · Responsible environmental and social practices	· Precautionary measures taken to safeguard the health and safety of our clients · New e-commerce models launched to provide safe and easy access to group services and products during lockdowns · New IT governance framework to safeguard client confidentiality and oversee management of cybersecurity risks · Sustainability roadmap to be published in FY2022 · Continued development of wiiv loyalty programme including via personalised customer experiences · Ongoing client communication via IBL's website, social media and press work	Our clients purchase our products and services and drive our revenue growth	COVID-19 response page 16 Performance page 96 Technology & Transformation page 67 Sustainability page 58
INVESTORS AND SHAREHOLDERS	· Sustained financial returns · Sustainable growth strategy including defined risk management and sustainability approaches · Information regarding impact of COVID-19 pandemic on Operations · Economic leadership; awareness of international best practice and innovation · Sound corporate governance and regulatory compliance · Transparent reporting and disclosures; regular access to executive team	· Ongoing communication about IBL's performance and activities in light of the challenging context · Engagement and dialogue via our Annual General Meeting, analysts' meetings and investor roadshows, press work · Consolidation of our risk management processes to identify and manage emerging issues · Improved reporting on sustainability and non-financial activities · New strategy defined for key growth sectors including renewable energy and healthcare	Our shareholders and investors are the source of our financial capital	Corporate Governance page 134
GOVERNMENT, REGULATORY AND INSTITUTIONAL BODIES	· Contribution to national efforts to fight COVID-19 · Constructive engagement on national policy-making · Protection of consumer interests (quality, cost of products and services) · 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 national tax base	· Engagement and dialogue with national authorities, including via representation in relevant public-private forums and industry bodies · Measures taken to protect our employees and customers in the context of the COVID-19 pandemic · Contribution to national CSR strategy via IBL's Fondation Joseph Lagesse and CSR entities in Operations · IBL Operations have paid for their staff vaccination, contributing to national efforts to achieve 'herd immunity'	National regulators provide the legal and regulatory framework in which our businesses operate, with cost implications	COVID-19 response page 16 Corporate Governance page 134 Risk Management page 74 Sustainability page 58

HOW WE ENGAGE WITH OUR STAKEHOLDERS

STAKEHOLDER GROUP	KEY ISSUES	HOW WE ENGAGE	HOW THEY ENABLE IBL TO CREATE VALUE	
COMMUNITIES, NGOS, VULNERABLE POPULATIONS AND FAMILIES	· Short-term support for those most affected by COVID-19 pandemic · Positive, long-term changes to vulnerable communities' livelihoods in IBL's areas of operation · Funding and other types of support (CSR, in-kind support, partnerships) · Transparency and involvement in decisions and initiatives that affect the local community · Ethical business practices including a clearly defined sustainability approach	· Rapid response unit delivered food packages and other to families who had lost their livelihoods due to COVID-19 · Restructure of Fondation Joseph Lagesse (FJL) in response to changes in CSR funding; provision of support to CSR entities across the IBL Group as they define and implement their own CSR strategies · Continued development of FJL's research unit to assess impact,target community needs and more effectively request funding · Ongoing projects to empower and improve outcomes in vulnerable communities, particularly for young people · Sustainability roadmap to be published in FY22	IBL's long-term sustainability and profitability depend on a healthy society and environment and on the goodwill of the communities in which we work	COVID-19 response page 16 Sustainability page 58
SUPPLIERS	· Flexible payment terms and moratoriums in the context of COVID-19 · 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	· Engagement and dialogue with suppliers to maintain trust and positive relationships · Transparent tendering processes in each group entity · Ongoing corporate communication via website and press work	Strong relationships with our suppliers allow us to provide better-quality, more sustainable products and services to our customers at lower cost	Performance page 96

RISK MANAGEMENT REPORT

1. COVID-19: THE NEW NORMAL

For over a year, IBL has been navigating an ongoing pandemic situation that is fast becoming the new normal. Our Group has demonstrated great resilience in containing the impact of COVID-19, thanks to a well-balanced business portfolio, stringent mitigation measures and an ability to find solutions and deploy them quickly. This resilience has enabled IBL to stand strong alongside companies that were badly affected by the pandemic. IBL's ongoing COVID-19 response is detailed on page 16 of this integrated report.

Throughout the year, we saw the development and production of various vaccines fundamental to saving lives and businesses while rebuilding the global economy. However, variants of COVID-19 have continued to emerge, with second and third waves of the disease engulfing countries around the world. Our reliance on the effectiveness of current vaccines against these new variants is increasing, and it is globally accepted that mass vaccination and health precautions remain THE solution to fighting the pandemic and recovering sooner rather than later.

Locally, Mauritius is continuing its national vaccination campaign in the hope of achieving "herd immunity" by October 2021, to coincide with the start of the country's peak tourism season and the target month for the full reopening of our borders to international travellers. As an outward-focused economy, the country relies heavily on its economic attractiveness to the global community to survive and prosper.

At IBL, rigorous safety and health campaigns have resulted in over 60% of our team being fully vaccinated as of 30 June 2021.

Despite the pandemic's many adverse effects, the situation has encouraged IBL to develop a culture of preparedness. It has also demonstrated the ability of IBL businesses to 'bounce back'. Both are important components of a risk management culture. In addition, our approach to risk management has evolved. We are now prepared to identify and deal with 'black swan' events, i.e., risks with a very low probability but a catastrophic impact.

An evolving risk universe influenced by the pandemic and other macro-economic factors:

The Group's core activities are based in Mauritius and in the region but its client and supplier base extends across the globe. IBL must therefore continuously monitor the pandemic's local, regional, as well as its global impact. Our risk profile also depends on other macro-economic factors that require careful monitoring. Future challenges and opportunities will depend on the following external factors:

- Reopening of borders and trends in incoming travel (leisure and business)
- Trends in inflows of principal foreign currencies and FDI
- Air and sea accessibility, supply capacity and freight costs
- Local currency strength
- Unemployment rate
- Inflation and consequential price controls
- National purchasing power
- Increasing poverty and social unrest
- Government and Central Bank policies (local and foreign)
- National efforts to exit the FATF list of high-risk countries
- Relationship between public and private sectors
- Mauritius' reputation and attractivity on the global market
- Local talents pools
- Stakeholders' sustainability expectations
- Changes in customer preferences and habits
- Digital transformation
- Competitiveness of Mauritius as an investment hub
- IT and cybersecurity governance
- Facilitation of investments in the pharmaceutical industry (including the manufacturing of vaccines)
- US-China trade war and policies vis-à-vis the African continent

2. DELIVERING ON OUR RISK MANAGEMENT ROADMAP

This year, IBL continued to deliver the activities set out in its risk management roadmap, progressing on Step 4 and moving towards Step 5:

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 on 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 Enterprise Risk Management Framework (ERMF) software. · Continued deployment of ERMF in other IBL subsidiaries.	· 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 on Step 4 and moving towards Step 5	Progress
Risk awareness	· Awareness of risk owners regarding specific risks: Money laundering and terrorism financing/ business continuity	Completed
	· Development and communication of a risk management toolbox for IBL Senior Executives and risk champions to nurture a risk-based approach and link risk management to strategic objectives	Completed
	· Publication of RMC Focus, a departmental newsletter dedicated to risk management and compliance discipline-related topics	On track
Risk identification & assessment	· Annual risk assessment for IBL Group Top Risks	Completed
	· Identification of risks at IBL's corporate centre and other IBL businesses	On track
	· Development of risk registers for IBL businesses	On track
	· Risk assessments performed in additional IBL businesses	On track
	· Development of a risk maturity assessment tool	Completed
Risk reporting	· Regular reporting to the IBL Audit & Risk Committee (refer to Section 7 below)	Completed
	· One-to-one meetings with chairman of the IBL Audit & Risk Committee	Completed
	· Reporting to Board of IBL Businesses on advancement of ERM deployment	On track
Risk monitoring	· Development of an Internal Risk Committee to brainstorm on specific risk management matters	Completed
	· Monitoring of main risks with risk champions at the level of IBL businesses	On track
Control activities	· Development of an IBL legal register to identify potential gaps and monitor compliance with applicable laws	On track
	· Creation of operational/security policies and procedures	On track
	· Development of a country risk assessment checklist	Completed
	· Control efficiency walkthroughs conducted where requested	On track

Legend: Completed | On track | Upcoming

RISK MANAGEMENT REPORT

3. RISK MANAGEMENT & COMPLIANCE ACTIVITIES DURING THE YEAR

Risk management

Refer to Section 2 above ("Delivering on our risk management roadmap").

Data protection:

- Continued assistance provided to IBL businesses in implementing their data protection compliance programme
- Development of an IBL Group Data Protection Officer (DPO) forum to share experiences, challenges and lessons learnt on data protection matters
- Training provided for IBL Group DPOs on Data Protection
- Celebration of World Privacy Day on the 28 January to raise awareness of the importance of data privacy
- Deployment of additional policies and procedures to reinforce security measures and the protection of personal data

AML/CFT:

- Increased awareness of money laundering and terrorist financing risks among the management teams of IBL businesses
- Appointment of a Compliance Officer, Money Laundering Reporting Officer (MLRO) and Deputy MLRO at IBL's Head Office to promote AML/CFT best practices within the IBL Group

Business continuity:

- Finalisation of IBL's Corporate Centre Business Continuity Plan
- Assistance provided to IBL businesses in compiling/reviewing their Business Continuity Plans

Compliance culture:

- Compliance management policy statement approved by IBL's Audit & Risk Committee
- Implementation of a compliance management framework within IBL businesses
- Creation of a compliance forum with compliance officers
- Support provided to IBL businesses to address compliance gaps and close audit findings

Business ethics:

- Developed an awareness programme regarding the IBL Code of Business Ethics, using videos to explain the code's principles
- Celebrated World Ethics Day with an internal communication campaign confirming IBL's commitment to the fight against corruption and bribery
- Launched an internal SharePoint site for quick access to the Code of Business Ethics, the Anti-Harassment policy and the Anti-Corruption policy
- Assisted an IBL operation with the launch of its Code of Business Ethics and hosted half-day workshops to raise awareness within its team

Special assignments:

- One-off assignments to review governance and regulatory compliance processes in certain IBL businesses

4. OUR RISK MANAGEMENT APPROACH

A tailor-made risk management framework is in place to address the diversified range of business activities within the Group as well as the varying maturity levels of IBL's subsidiaries. We have therefore defined three distinct approaches depending on the risk management maturity of IBL's subsidiaries.

RISK MANAGEMENT MATURITY	RISK MANAGEMENT APPROACH
1. Low Maturity – No risk management function in place and no dedicated risk management resources.	Full risk management support from Group function. Assistance is provided across the risk management process from risk identification to risk reporting.
2. Medium Maturity – Basic risk management structure in place. Risks are identified and discussed, mostly at an operational level, but not systematically reported to the entity's Board or to the Group.	Partial risk management support focused on closing the key gaps in the risk management process.
3. High Maturity – Material entities in their own right, which are either listed or highly regulated. Their risk management framework is well embedded and involves top-down and bottom-up monitoring and reporting of risks.	Limited risk management support from the risk management team of the IBL Group. Focus is on monitoring the completeness of the management of risks and ensuring appropriate risk reporting at group level.

	Approach 1 (**Low Maturity**)	Approach 2 (**Medium Maturity**)	Approach 3 (**High Maturity**)
Identification of risks	✓		
Identification of existing controls	✓	✓	
Assessment of risks	✓	✓	
Improvement plan	✓	✓	
Monitoring	✓	✓	✓
Reporting	✓	✓	✓

RISK MANAGEMENT REPORT

5. RISK MANAGEMENT STRUCTURE, ROLES AND RESPONSIBILITIES

The diagramme below illustrates the IBL Group's risk management structure and key responsibilities. This structure ensures that risk management processes are effectively embedded across the Group. Given the complexity of the Group's governance, the risk management structure is flexible and adapts to the different risk maturity and governance levels of IBL subsidiaries. Furthermore, the risk management structure must also adjust to differing regulatory and legal requirements applicable to IBL subsidiaries.

COMMUNICATION AND REPORTING FLOW WITHIN THE GROUP

Risk Champions in IBL Subsidiaries	Board of Directors of IBL Subsidiaries	Group Risk Management Function (IBL Ltd)	Audit & Risk Committee (ARC) (of IBL Ltd)	Board of Directors (of IBL Ltd)
· Determine risk maturity · Identify risks and controls · Design own risk registers · Nominate risk and control owners · Carry out risk and control monitoring on a regular basis · Keep Head of Risk Management & Compliance informed regarding implementation of Risk Management Framework	· Approves implementation of Group Enterprise Risk Management Framework and sets risk appetite · Nominates risk Champion to manage risks with support from IBL Head of Risk Management & Compliance · Assesses risks and consolidates a list of material risks to be included in risk register · Reports main risks to Head of Risk Management & Compliance	· Head of Risk Management and Compliance drives risk management accross the Group · Facilitates implementation and assesses the performance of Group-wide risk management framework · Assesses reported risks and prioritises those to be reported to the IBL Audit & Risk Committee · Maintains, monitors the evolutions and reports on Group risks · Provides training on risk management to develop awareness and risk culture · Provides tools and guidelines to cultivate a risk-based approach for launch of new projects · Reports risk information/ intelligence to the Audit & Risk Committee · Drives brainstorming on specific risk matters with the Internal Risk Committee · Contributes to other sub-committees on risk related matters	· Approves risk management framework – policy, strategy and plan, implementation, appetite and tolerance · Reviews adequacy and effectiveness of risk management framework · Approves the set up of internal sub-committees · Reports risks to the Board of Directors (IBL Ltd)	· Endorses, oversees and maintains the entire risk management system · Establishes the company's risk appetite and Group risk appetite parameters (where possible) · Delegates risk governnace duties to relevant board committees

IBL'S RISK MANAGEMENT & COMPLIANCE FUNCTION

Drives, supports and coordinates risk management activities throughout the Group and in line with its strategic objectives

Responsibilities/ Areas of focus	Board	Audit & Risk Committee	Risk Management Team	Risk Champions	Risk Owners	Control Owners
	TYPICAL RISK MANAGEMENT (RM) ROLES					
Risk management approach and process	A	C	R			
Implementation plan	I	A	R			
Risk management policy	I	A	R			
Risk management guidelines	I	A	R			
Risk appetite and tolerance	A	C	R	C		
Risk registers and dashboard	A	I	R	C	C	C
Risk mitigating action plan		I	I	A		
Monitoring of risks	I	I	I	A	R	R
Effectiveness of controls	I	I	I	A	R	R
Report on risks (existing and emerging)	I	I	A	R	C	
Training and awareness	I	I	R			

Legend: R Responsible | A Accountable | C Consulted | I Informed

6. RISK MANAGEMENT PERFORMANCE

Risk management performance can be assessed in several ways. One important performance indicator is the internal audit review.

This year, the effectiveness of IBL's Enterprise Risk Management Framework (ERMF) was audited by the internal audit function. An internal audit report was published in March 2021.

- For the purpose of the review, the internal audit function used an assessment tool put in place by the Global Management Accountant (CGMA) body to assess our ERM maturity level.
- The independent assessment showed that we scored 45 out of 75, meaning that our current ERM status is "Basic ERM Practices in Place" (see table below).

DESCRIPTION OF CURRENT STATE OF ERM	RANGE OF TOTAL SCORE
Just getting started	From 1 to 25
Basic ERM practices in place	From 26 to 45
Basic as well as some more sophisticated ERM practices in place	From 46 to 65
Robust ERM in place	From 66 to 75
Current state of ERM	**Basic ERM practices in place**

RISK MANAGEMENT REPORT

- The internal audit report also contained recommendations for how to improve our ERMF and move up to the next level of maturity. The table below outlines the recommendations made by the internal audit function and our progress towards improving our ERM maturity. Given our progress to date, we expect to reach the next level of ERM maturity during the financial year 2021/22.

THEMES	RECOMMENDATIONS	OUR PROGRESS TOWARDS IMPROVING IBL ERMF	PROGRESS TO DATE
Risk Appetite Framework (RAF)	Management should implement a RAF and integrate it with the Enterprise Risk Management framework (ERMF) already in place. Besides developing a risk appetite statement, the risk appetite process should be strengthened by developing the company's risk profile, risk capacity, risk measures, risk tolerance and risk limits.	IBL's Risk Appetite Statement is being clarified. Refer to Section 7.	■ (On track)
Risk maturity level assessment process	An Enterprise Risk Management (ERM) risk maturity tool should be developed to assess the risk maturity level of different IBL entities.	Risk maturity tool tailored to IBL entities has been developed. An assessment will be performed during the next financial year.	■ (Completed)
Visibility regarding the existence of risk registers in IBL entities	A process should be developed to assess all relevant IBL entities and determine whether they currently have a risk register to improve the effectiveness of their risk management approach.	We will create a matrix to assess all IBL companies that currently have a risk register. The matrix will be based on results of the risk maturity assessments recommended above.	■ (Upcoming)
Risk management training	A risk management training plan including awareness-raising sessions and regular refresher training should be developed to cater to all relevant IBL Group stakeholders.	Training on risk management for the IBL Executive Team is being prepared and will be delivered during the next financial year.	■ (On track)
Risk management performance	Metrics should be associated with risk management performance indicators and should be monitored on a periodic basis. They should then be presented to the Audit & Risk Committee.	A list of performance management indicators will be discussed and agreed with the ARC.	■ (Upcoming)

Legend: ■ Completed | ■ On track | ■ Upcoming

7. 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 in IBL businesses
- Designing a compliance framework for IBL
- 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

IBL'S COMBINED ASSURANCE ON RISKS		
1 1ST LINE OF DEFENCE	2 2ND LINE OF DEFENCE	3 3RD LINE OF DEFENCE
People management, internal processes and technology	Oversight functions such as risk management, compliance and safety & health	Internal & External Audits

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
21 September 2020	✓
26 November 2020	✓
05 February 2021	✓
05 May 2021	✓

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

- The IBL Group top risks (including strategic, financial, operational and compliance risk);
- Risk trends;
- Compliance updates;
- Risk management activities;
- The setting up of an Internal Risk Committee;
- The efficiency of the risk management framework; and
- Risk management reporting for IBL's integrated report.

In addition, the Head of Risk Management and the Chairman of the Audit & Risk Committee meet once every month regarding Group risk governance and other risk management activity updates.

RISK MANAGEMENT REPORT

IBL's Internal Risk Committee

To strengthen IBL's risk management system, an Internal Risk Committee (IRC) was set up in September 2020.

The role of the IRC is to assist the risk management function in its mission to drive risk management across the Group and support businesses in achieving their performance objectives.

The IRC is composed of the following members of IBL's Executive Team:

NAME	FUNCTION
Jean Claude Béga	Group Head of Financial Services and Business Development/Executive Director
Dipak Chummun	Group CFO
Preetee Jhamna	CFO Group Operations
Thierry Labat	Group Head of Corporate Services
Christine Marot	Group Head of Technology & Sustainability
Olivier Decotter	Head of Risk Management & Compliance (Chairs the committee meetings)

The IRC met twice this year to consider the following matters:

- Approving its terms of reference
- Determining the initial scope of action
- Working towards clarifying IBL Ltd's Risk Appetite Statement

IBL's Information Technology Committee

In February 2021, the Audit & Risk Committee approved the creation of a dedicated Information Technology Committee (ITC) to drive the implementation of IBL's Information Technology Governance Framework (ITGF). Its role includes the identification, assessment and management of IT risks in line with IBL's risk management framework.

The chairperson of the ITC reports to the Audit & Risk Committee on the affairs of the ITC.

Detailed information about IBL's ITGF and the composition of the ITC is provided on pages 67 to 68 & 139 to 141 of this integrated report.

7. RISK APPETITE STATEMENT

When making business decisions, IBL frames its risk appetite by taking into consideration the three aspects below: (i) risk appetite parameters; (ii) risk tolerance; and (iii) risk-taking strategy.

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

Clarifying IBL's risk appetite statement

In line with its objective to constantly improve the company's risk management framework, and with the assistance of the Internal Risk Committee, the risk management function has embarked on a full review of IBL's risk appetite framework to clarify the company's risk appetite statement. The primary objective is to develop a detailed risk appetite statement alongside clear indicators for IBL Ltd as an investment holding business and present them to the Board of Directors for approval during the next financial year. The exercise will serve as a template for IBL businesses to develop their own risk appetite frameworks.

RISK MANAGEMENT REPORT

8. HEAT MAP – IBL TOP RISKS

As in previous years, an annual risk assessment of IBL Group's top risks was undertaken. During a risk rating session, we ranked 44 of IBL's top risks. This year's list includes several new top risks, while other risks have been merged, effectively managed or have left the list altogether.

The 2021 risk rating is closely related to current local and global macroeconomic trends. Three newly rated risks have entered the list (see below). Most of our top risks relate to external factors driven by major events that are generally outside our control.

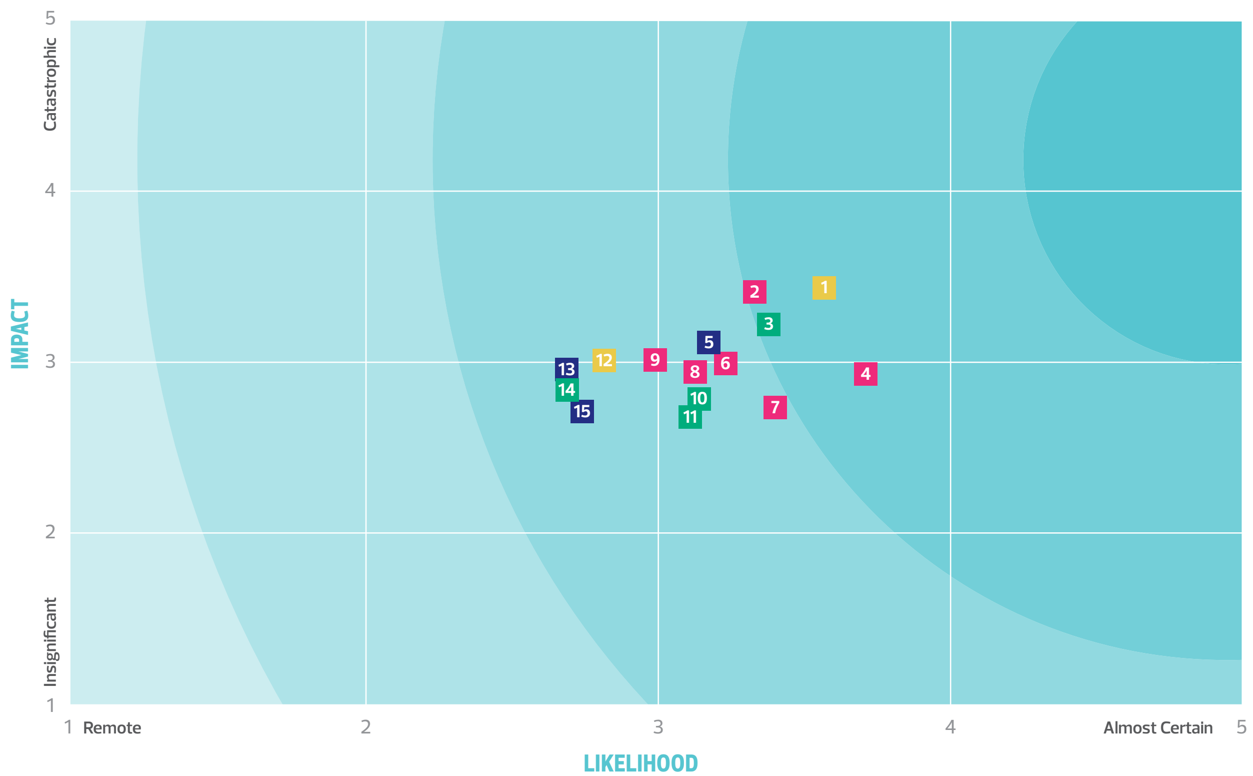
We have considered the potential impact of external factors on our Group and Cluster top risks (refer to pages 86-95).

Factors affecting the risks: *External factors are represented in blue and internal factors in white. External factors relate to outside events of conditions. These include threats such as the sudden onset of a political crisis or opportunities such as a change in government policy or new partnerships. These risks may be beyond IBL's immediate control but are recognised and managed as far as possible. In contrast, internal factors relate to the adequacy of IBL's organisational policies, capacities, arrangements, resources and other issues.*

INTERNAL FACTORS EXTERNAL FACTORS

Furthermore, some of our top risks have a short-term horizon because they are related to the current context. Other risks have a longer-term outlook.

Finally, nine of our top 15 risks have been rated Medium-High. The remainder fall in the Medium-Low range on a residual basis, as shown on the Heat Map. We have also reported on risk trends using last year's ranking as a baseline.



Legend: Increased (6) | Decreased (4) | Stable (2) | New (3)

Trend (based on last year's ranking)

TOP 15 RISKS 2021 WITH TRENDS VS 2020 RANKING

1	Tourism performance	→	6	Property sales performance	↗	11	Government policies	↘
2	Foreign currency	↗	7	Volatility of commodity price	↗	12	Climate change	→
3	Pandemic	↘	8	Cybersecurity threats	↗	13	Country reputation	New
4	Forex fluctuations	↗	9	Sustainability of tuna stocks	↗	14	FATF watchlist	↘
5	Air connectivity	New	10	Market concentration	↘	15	Supply chain	New

PREVIOUS TOP RISKS THAT ARE NO LONGER AMONG IBL'S TOP 15 RISKS IN 2021

Industry performance	Decreased	**Sugar cluster performance**	Decreased	**Technology efficiency**	Closed

RISK MANAGEMENT REPORT

GROUP RISKS

The following risks concern the entire IBL Group.

RISK	DESCRIPTION	FACTORS IMPACTING RISKS	MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
2 Foreign currency	Lack of foreign currency on the local market, leading to an inability to pay foreign suppliers and meet contractual agreements, resulting in financial penalties and partial or complete halt of commercial activities.		· Group forex conversion policy. IBL promotes sales of foreign currencies by group forex sellers, ensuring that forex buyers can purchase foreign currencies from the Group · Negotiation of extended payment terms with foreign suppliers · Strict management of cashflows 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		
3 Pandemic	Threat of ongoing pandemic or its resurgence, leading to sanitary and economic crisis with significant long-term adverse effects on resources, people and businesses.		· 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 are in place and shared across the Group · Financial stress-testing carried out and stringent cash flow measures applied · Work-from-home scheme in place · National vaccination campaign · Deployment of vaccination campaign across the group managed at head office for IBL Group operations and some subsidiaries · More than 60% of IBL Group team members vaccinated to date · Advice and assistance to Safety & Health teams across the Group · Regular communication at Group level · Team roster procedures in place		
4 Forex fluctuations	Adverse fluctuations in the principal currencies and the MUR, impacting revenues from our import/export operations, and potentially negatively affecting the price of products and services and causing a decline in competitiveness.		· Group Treasury service to assist businesses in assessing and mitigating impact of adverse forex movements · Diversification of activities and income sources worldwide · 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		
5 Air connectivity	The uncertain future of our national carrier and the ability of Mauritius' air connectivity strategy to maintain a sustainable flow of travellers, support the promotion o f the destination, and aid in the recovery of impacted business sectors.		· Working with authorities via hotelier associations in countries where we operate · Implementation of strategic expansion plan abroad · Continued diversification of portfolio		

RISK MANAGEMENT REPORT

RISK	DESCRIPTION	FACTORS IMPACTING RISKS	MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
8 Cybersecurity threats	Increasing attempts at cyber-attacks, potentially leading to major disruptions in critical systems and work infrastructure, loss or theft of critical data, information leakages causing a halt in operations, financial loss and reputational damage.		· Creation of IT governance framework (including security governance) for IBL Group · IT Committee now in place · Cyber/IT security roadmap developed for IBL Ltd · Due diligence and security assessments of external vendors/service providers undertaken · Outsourced cybersecurity consultants to accompany the Group where required · Financial resources deployed to enhance IT security · Cyber resilience improvement · Awareness of security best practices continuously refreshed and strengthened with remote working capabilities		
10 Market concentration	Over-reliance on the performance of Mauritian business activities.		· Continued implementation of regional and international development strategies to export and develop businesses outside Mauritius · Strategic review undertaken in 2021 with the help of external consultants to identify industry sprints for the next 5 years · Regional office in Kenya with a dedicated team driving the regional expansion strategy · Portfolio and currency diversification		
11 Government policies	Unfavourable government policy decisions impacting group strategy and performance in Mauritius.		· Geographical diversification of earmarked activities to strengthen resilience and reduce exposure to Mauritian market · Engagement with relevant stakeholders to achieve better import control/regulations and support for industry · Strengthening of presence in key private sector representative bodies and intensification of representations through them to assist decision and policy making by government · Active participation in consultations regarding national industry strategies · Focus on higher-margin products and services · Adapting businesses to align with national strategies for developing industries · Stringent cash flow measures · Work with reputable local law firms to understand laws in the countries where we operate		
12 Climate Change	Failure to adapt our activities and take appropriate action regarding climate change events and natural disasters, leading to complete stop of operations, the loss of lives and substantial financial losses and damage to assets.		· Sky Sails agreement · Photovoltaic solar projects (LUX* Ile des Deux Cocos, LUX* Properties in the Maldives, Alteo) · Application being made to local authorities to install photovoltaics on 32 IBL sites · Raising awareness of environmental concerns and commitment to SDGs, with a particular focus on climate change and climate actions · Creation of Group (environmental) Sustainability Policy and development of group-wide strategy for sustainability and responsible business conduct · Cyclone and flash flood procedures in place		

RISK MANAGEMENT REPORT

RISK	DESCRIPTION	FACTORS IMPACTING RISKS	MITIGATING MEASURES	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
13 Country reputation	Lack of attractiveness of Mauritius to our traditional markets and global community, impacting key business sectors in which IBL has invested and reducing foreign direct investment and the development of new business relationships and opportunities.		· IBL and IBL companies are trustworthy and longstanding partners to strong international brands of good repute present in Mauritius · Intensification of government representations to exit FATF grey list and EU/UK blacklists and to recover our credibility as a reputed international financial centre · New protocols and marketing strategy in place to start welcoming tourists as of mid-July 2021 · National vaccination campaign rolled out in January 2021, with aim to achieve herd immunity by October 2021 · Participation in Government-led sustainability initiatives · Implementation of strategic expansion plan abroad · Promotion of R&D, health, energy efficiency industries as new development sectors		
15 Supply chain	Disruption in the supply chain causing increased lead time for imports and exports and out-of-stock situations, impacting the competitivity of our businesses and their financial performance.		· Increase in "month stockholding" for critical/popular items based on supplier lead time · Change in mode of shipment for certain suppliers and products · Prudential approach to order calculation · Constant monitoring of stock levels and top orders raised as necessary · Close collaboration between supply chain and category teams to efficiently manage potential panic buying situations · More regular reviews of sales forecasts · Development of solid network of supply chain players		

RISK MANAGEMENT REPORT

CLUSTER RISKS

The following are the top risks for specific IBL clusters.

RISK	DESCRIPTION	FACTORS IMPACTING RISKS	MITIGATING MEASURES	MAIN CLUSTER/S IMPACTED	MAIN CAPITALS 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 and the long term adverse effects of the COVID-19 pandemic on the performance of the hotel industry and related industries.		· Continued international expansion (hotel management contracts/ ownership in foreign countries) and opening of LUX* ChongZuo, Guangxi Resorts and Villas in 2021 · Foreign properties (Maldives and Reunion) continued to operate during the 2021 financial year · Diversification of revenues by billing in various foreign currencies (USD/ EUR/GBP) · Opening of LUX* Grand Baie by end of year 2021 · Renting of Tamassa Hotel to Mauritian Government for quarantine purposes · Hotels opened for/new packages offered to residents (mainly during weekends) prior to second lockdown · Phased reopening of borders as from mid-July 2021 and partial resumption of operations · Stringent cash flow management measures · Redeployment of team members · Joint Public-Private working group to formulate recommendations for the reopening of Mauritian borders and relaunching of the tourism sector · Support from Mauritius Investment Corporation and other government schemes, including Wage Assistance Scheme · Vaccination campaign started in Mauritius in February 2021; signs of accelerating vaccine rollouts around the world including in our target markets · COVID-19 safety certifications from trusted service providers such as SGS and Diversey (at LUX* properties) · Continued training in COVID-19 sanitary protocols of all team members · National Budget 2021/2022: Enhanced measures to energise the tourism sector, promote Mauritius as a destination and reduce costs (reduced quarantine protocols as from 15th July, promotional campaign, the Investment Hotel Scheme, cost reductions)	· Hospitality & Services, · Commercial & Distribution, · Logistics		
6 Property sales performance	Increasing competition from local and foreign residential development projects, putting additional pressure on sales capabilities, cashflow and turnover; accentuated by the border closure in response to the COVID-19 pandemic.		· Ensuring a robust development screening process for new projects · Adoption of competitive pricing strategies · 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 · Building attractive residences on prime sites to enhance demand · Differentiating offer to set ourselves apart from mass market · Creating an offering to address demand from local market · Stringent cost curtailing initiatives implemented · Strengthening of balance sheet by implementing a capital raising plan (Rights and Bond Issues) effective before financial year end 2021 · Effective start of the construction of the Azuri golf course in 2021 to generate renewed interest in residential offerings · Targeting smart city accreditation by September 2021 to boost future development plans	· Property		

RISK MANAGEMENT REPORT

RISK	DESCRIPTION	FACTORS IMPACTING RISKS	MITIGATING MEASURES	MAIN CLUSTER/S IMPACTED	MAIN CAPITALS IMPACTED	LINK TO GROUP-LEVEL STRATEGY
7 **Volatility of commodity price**	Volatility in the price of commodities (including raw materials), 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 · Focusing on local production capacities	· Building & Engineering, · Property, · Commercial & Distribution, · Agro & Energy, · Logistics		
9 **Sustainability of tuna stocks**	Depletion of wild tuna stocks, impacting the supply of raw materials to the seafood cluster and indirectly impacting the financial performance of the whole value chain.		· Ongoing lobbying of the Indian Ocean Tuna Commission (IOTC) to pass resolutions enabling the sustainable management of tuna stocks in the Indian Ocean · Joint aligned position with Princes regarding sustainability approach · Consensus reached by members of the IOTC in June 2021 to extend the management of quotas to all member states. The new resolution includes all vessel types irrespective of their size and fishing areas · Increased participation in IOTC Working Groups, Scientific Committee and Commission meetings as part of the Mauritian delegation · Creation of a local tuna association currently in progress · Partnership agreement with EU for seafood: 0% duty on exports/quota free · Maintain good relationship with MEXA / Ministry of Fisheries and Ministry of Foreign Affairs	· Seafood		
14 **FATF watchlist**	Inclusion of Mauritius on the FATF watchlist and EU/UK lists of high-risk countries, damaging the country's reputation and attractiveness as a credible financial hub for global investors and impacting the performance of our businesses in the financial services and property development sectors.		· Changes to legislation to efficiently enforce national FIAMLA framework (new AML/CFT legislation in 2020 and additional changes to come in Finance Act 2021) · Additional businesses subject to AML/CFT legislation · Demonstration of efficiency of Risk Based Supervision: Enhanced on-site inspections by Financial Services Commission · Government initiatives to address the issue as quickly as possible and report progress at FATF plenary sessions to close remaining gaps · Implementation of FATF action plan (monitored by a special ministerial committee under the supervision of the Prime Minister) · Implementation of compliance framework within IBL businesses · Increased management awareness of ML/TF risk within IBL businesses (non-regulated businesses) · Appointment of Compliance Officer, Money Laundering Reporting Officer (MLRO) and Deputy MLRO at IBL's Head Office to promote AML/CFT best practices across the Group (focus on non-regulated operations) · FATF's initial determination that Mauritius has substantially completed its Action Plan (June 2021) and upcoming on-site visit by FATF to assess whether Mauritius can exit its grey list in October 2021	· Financial Services, · Property		

PERFORMANCE

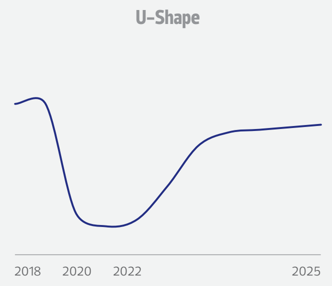
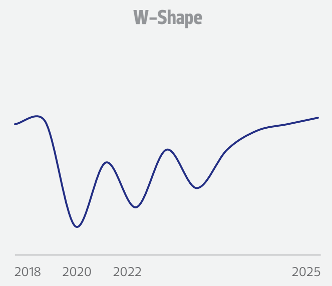
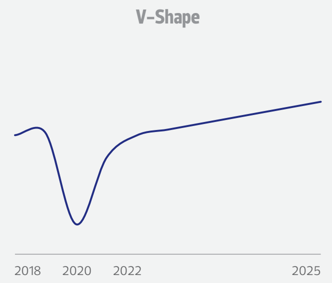
GROUP CFO'S REPORT

A RESILIENT PERFORMANCE FOR IBL GROUP DESPITE COVID-19

The financial year ended 30 June 2021 (FY2021) was a year full of challenges. At macro level, we all had to deal with the profound impact that COVID-19 has had on the world. It affected our people, suppliers and customers in Mauritius and beyond our shores. On the one hand, we experienced delays in the supply of raw materials and finished goods that we import as well as higher import costs due to adverse exchange rate movements, disruptions in freight and higher charges. On the other hand, we faced numerous new challenges, in particular in the hospitality sector, due to the closure of borders worldwide.

Last year, we evaluated our business and investment portfolio and classified some of our business clusters as at "High Risk" of being impacted by COVID-19. As we moved through FY2021, the pandemic continued unabated for longer than initially expected. As a result, the "high-risk" status of these businesses became a "reality", which in turn triggered a number of measures to be deployed. It was appropriate to therefore change the nomenclature of these businesses to "Highly Impacted by COVID-19".

Given this backdrop, the table below is as relevant as it was a year ago. The group has continued to track, monitor and report on its performance along these lines in the past year.

INDUSTRY SECTOR	IMPACT 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		Businesses resumed relatively rapidly, though some now face doing business under new baseline conditions, e.g. rising import costs, reduced customer disposable income.

GROUP CFO'S REPORT

GROUP PERFORMANCE FOR FY2021

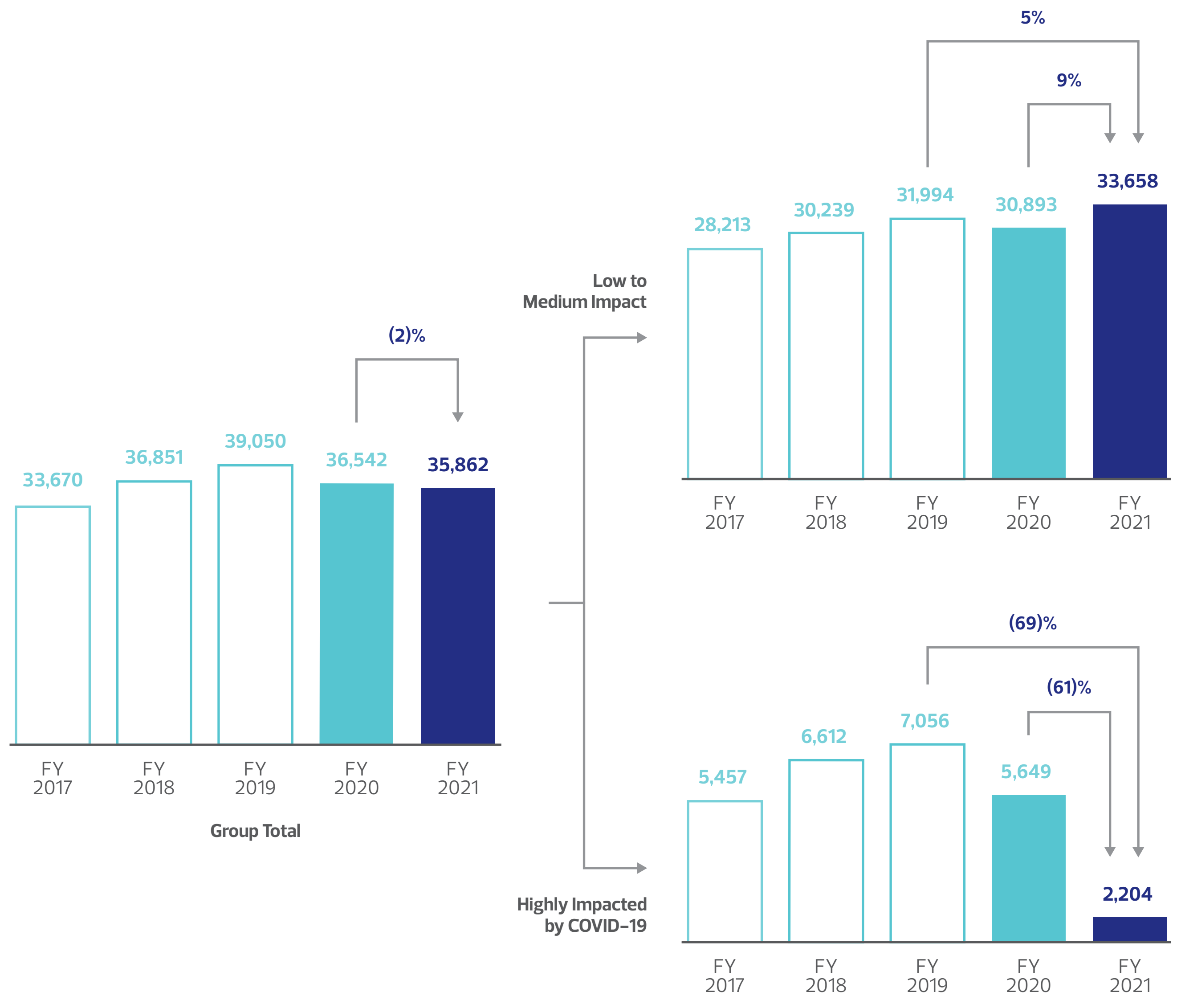
Summary of the published results of the Group

	THE GROUP	
	Year Ended 30.06.2021 Audited	Year Ended 30.06.2020 Audited
	Rs000	Rs000
Revenue	**35,861,942**	36,541,870
Profit from operations	**514,349**	465,514
Share of results of associates and joint ventures	**757,029**	568,435
Impairment of goodwill and investments in associates and joint ventures	**(74,850)**	(1,049,375)
Other gains and losses	**204,832**	(26,749)
Net finance costs	**(1,108,452)**	(1,156,572)
Profit/(loss) before taxation	**292,908**	(1,198,747)
Taxation	**(126,628)**	(137,345)
Profit/(loss) for the year from continuing operations	**166,280**	(1,336,092)
Discontinued operations		
Loss for the year from discontinued operations	**(91,355)**	(90,060)
Profit/(loss) for the year	**74,925**	(1,426,152)
Other comprehensive income for the year	**1,953,025**	318,455
Total comprehensive income/(loss) for the year	**2,027,950**	(1,107,697)

Analysing the group's performance for FY2021 is a tale of two stories. Here, we set out the trends in our performance according to key parameters, namely revenue, operating profit and profit before tax over the last 5 years. However, we primarily compare our FY2021 performance to (i) last year, FY2020, which was partly normal and partly affected by COVID-19 and (ii) the year before, FY2019, which was a "full normal pre-COVID year".

In parallel, we believe it is important to assess our FY2021 performance for business classified as "Highly Impacted by COVID-19" separately from the rest of our portfolio, which we have clubbed under the heading "Low to Medium Impact". The charts below summarise our performance bearing the above in mind.

Group revenue

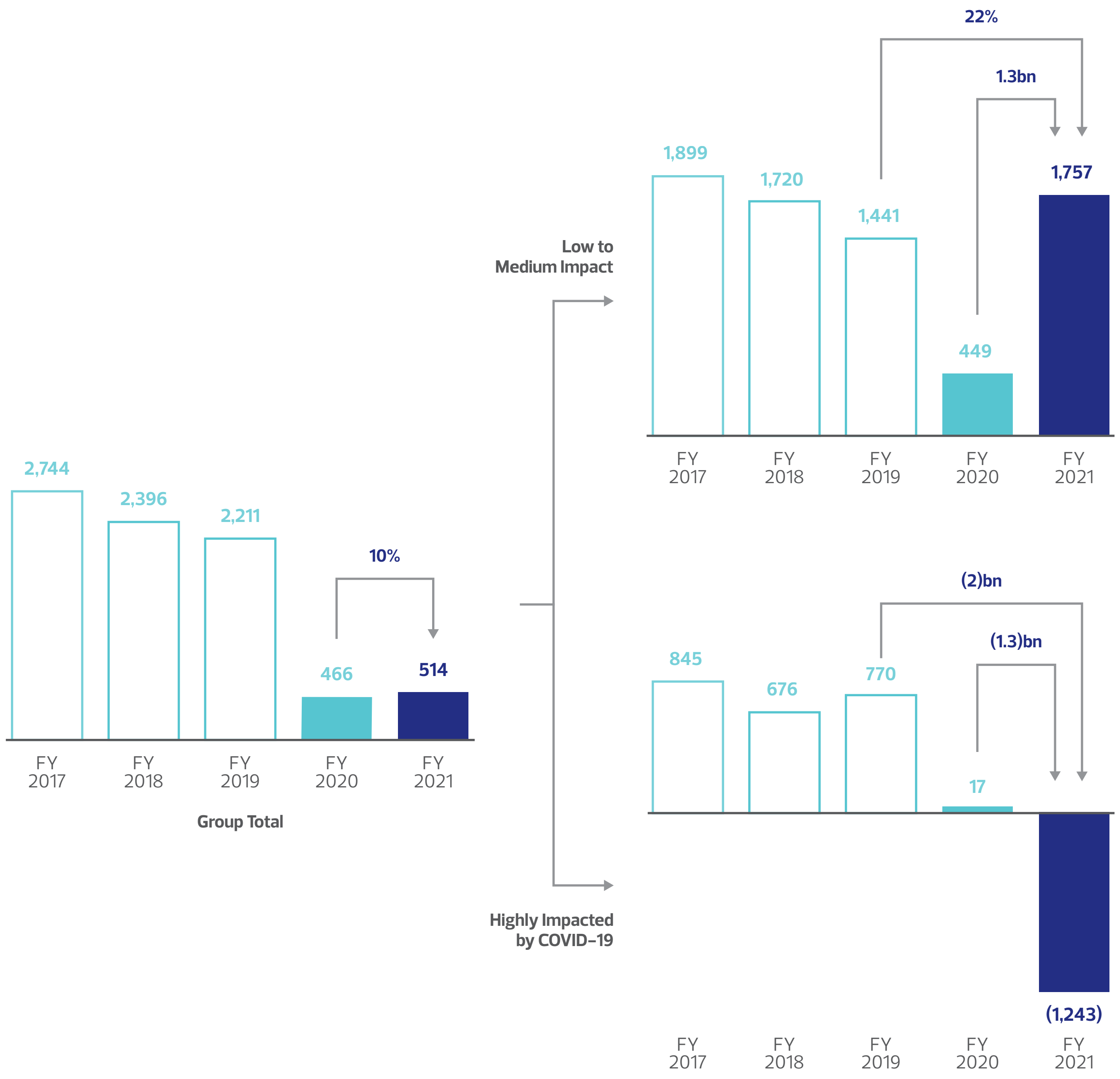


2017-2019 pre-pandemic data extracted from latest audited financial statements covering the respective years.

Group revenue for FY2021 overall fell 2% versus last year. However, upon assessing the portfolio based on COVID-19 impact, it is clear that the "Highly Impacted by COVID-19" companies dragged the overall achievements of the group down. The absence of foreign tourists to our hotels in Mauritius for the whole of FY2021 and for extended parts of the year in Reunion and Maldives had a deep impact on the top line, exceeding the significant overall growth achieved in the rest of the portfolio of "Low to Medium Impact" companies. The portfolio of "Low to Medium Impact" companies achieved revenue surpassing pre-pandemic levels, a significant achievement considering that we spent FY2021 operating in a hybrid environment involving lengthy periods of working from home, a second lockdown in Mauritius and lost business in some sectors.

GROUP CFO'S REPORT

Operating profit



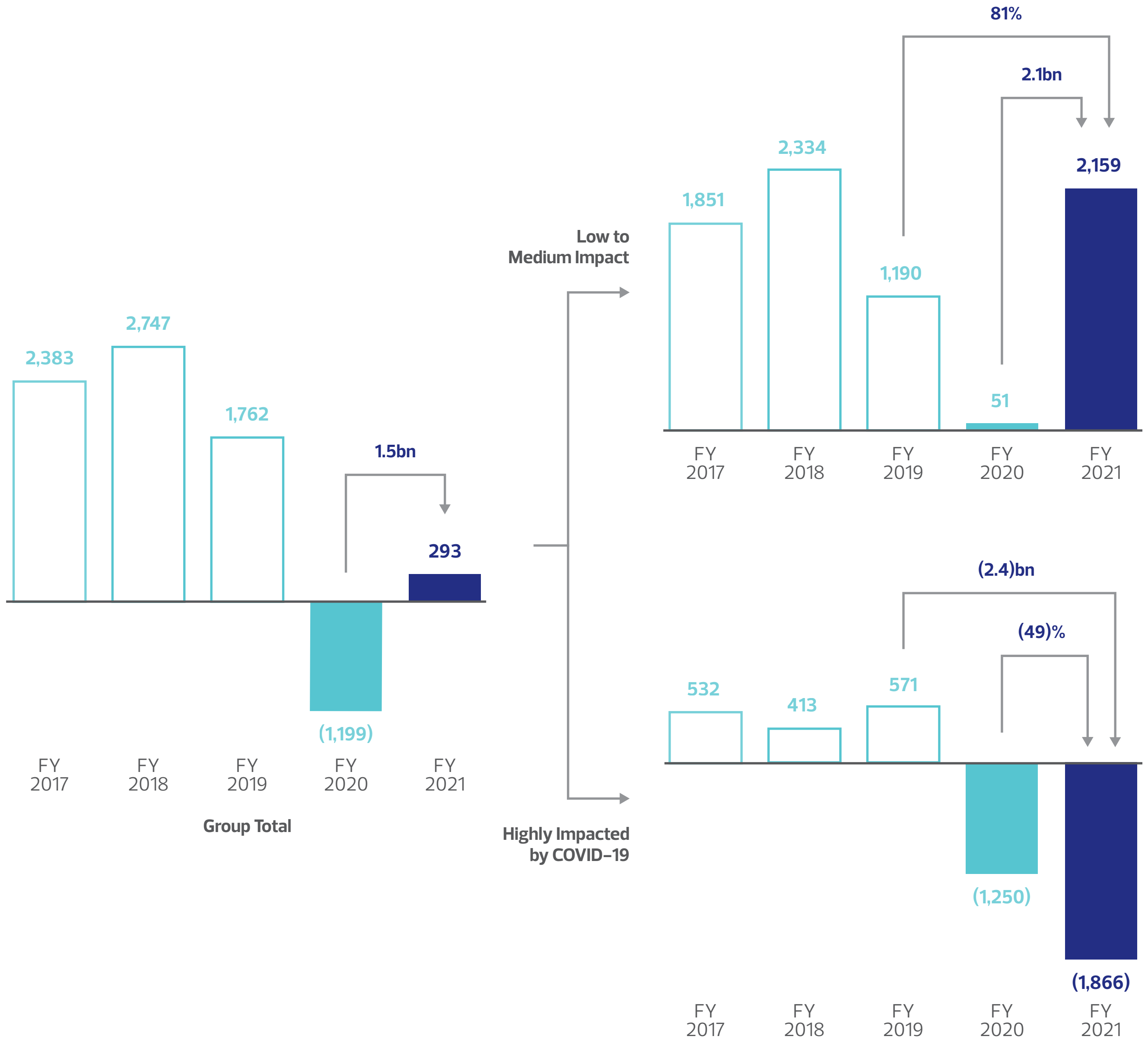
2017-2019 pre-pandemic data extracted from latest audited financial statements covering the respective years.

The group's operating profit has increased by 10% compared to last year, but remains subdued compared to pre-pandemic levels, when the figures exceeded the Rs 2 billion mark.

The absence of international travel and tourism, which affected our hospitality, property development and aviation sectors, classified as "Highly Impacted by COVID-19" as shown in the chart above, has had a major impact on the group's operating profit overall.

However, it is encouraging that our overall portfolio of businesses in the "Low to Medium Impact" sectors have generated nearly four times the operating profit from last year on a like for like basis. These businesses have even surpassed 2019's pre-pandemic operating profit by 22%. This is a very positive outcome given the adverse circumstances. Once international travel and tourism resume, we expect to see the significant losses in the hospitality sector turn to profit, and for overall operating profit to rise rapidly towards and potentially even beyond the pre-pandemic levels of 2019.

Profit before tax



2017-2019 pre-pandemic data extracted from latest audited financial statements covering the respective years.

The same story repeats for profit before tax, which in addition was affected last year by one-off goodwill impairments.

For the current year, we classified a number of companies as held for sale and discontinuing activities. These comprise UBP's Sri Lanka operations, for which a buyer is being sought; the company through which we invested in a piece of land in Kerala in India to build a seafood factory with an Indian partner which we jointly decided not to pursue; and the company set up to own a fishing vessel sold during the year. SALT Hospitality, a company which went into administration, was also deconsolidated and reported as a "deemed" disposal together with PL Resorts, a property which we intend to sell.

GROUP CFO'S REPORT

CLUSTER PERFORMANCE

Agro & Energy: The performance of Alteo's sugar cluster has increased in all of the locations in which it operates, namely Mauritius, Kenya and Tanzania. The segment benefitted from better sugar prices, increased volumes, lower costs following restructuring measures and higher fair value gains on biological assets. The Cluster's energy segment also performed better than last year with improved efficiencies. Alteo also benefitted from the sales of serviced plots at Anahita.

Building & Engineering: The Cluster was heavily impacted by the lockdown and costs attributed to the closure of Dubai operations last year. The current year benefitted from infrastructure and building projects that had been delayed due to the first Mauritian lockdown from March to June 2020. Our shipyard business delivered better profits despite a drop in shipbuilding activities associated with the pandemic. Manser Saxon generated higher turnover and margins and UBP delivered better results from its core business and its Espace Maison stores.

Commercial & Distribution: Improved results were driven mostly by Winner's, which continued to deploy operational efficiency measures during the year. HealthActiv's profitability remained stable despite pressure on margins and higher import costs resulting from the depreciation of the Mauritian rupee. BrandActiv and PhoenixBev were both affected by lower sales to the HORECA (Hotels, Restaurants and Cafes) segment, which was impacted by the absence of tourists. PhoenixBev delivered better results mainly from its export sales and its Reunion operations.

Financial Services: Eagle Insurance performed better this year, with a gradually improving risk screening and pricing framework. Both Eagle Insurance and The Bee's investment portfolios performed better this year. DTOS however, witnessed a drop in turnover and AfrAsia's net interest income dropped as a result of the prevailing low interest environment.

Hospitality & Services: The group's hospitality Cluster has been severely impacted by the worldwide closure of borders to tourism since March 2020. Hotels in Mauritius operated on a partial basis and catered to local tourists, which proved especially popular during the Christmas, New Year and Chinese New Year holiday seasons. However, the properties were forced to close again when the second Mauritian lockdown was announced. Our hotels in Maldives showed encouraging results, with occupancy rates averaging normal levels until January, while those in Reunion were affected by travel restrictions. With Mauritius' borders reopening to tourism in October 2021, advance bookings are giving rise to measured optimism in the sector. LUX* Grand Baie is also due to open in late 2021, in time for the summer holiday season.

Life & Technologies: Turnover has grown while margins have also improved. Profitability for the sector was negatively impacted by IBL Link, which remains affected by the economic downturn. The development of the Life sector is progressing well and its contribution to the group is expected to increase in the medium term.

Logistics: Aviation is among the group's most highly impacted segments, with activities markedly lower than pre-COVID-19. The group's freight forwarding business, Somatrans, has also seen a decline in activity due to the economic slowdown and higher air and sea freight rates. Logidis Transport Services has been affected by the lower volume of activity associated with hotel staff transport. The disposal of one vessel during the period resulted in reduced activity for the shipping segment.

Property: Bloomage performed well despite being affected by SALT of Palmar going into administration. The increase in operating profit was attributable to the full year impact of a new commercial building as well as higher rates applied at a newly renovated complex. BlueLife's property development, sales activities and hotels were heavily impacted by border closures and turnover dropped significantly. This said, the company reported lower losses thanks to strict cost control measures and lower levels of impairments.

Seafood: The sector reports very good results for the year, contributed by a full year result for Marine Biotechnology Ivory Coast and higher overall performance in Mauritius.

GROUP STATEMENT OF FINANCIAL POSITION

	THE GROUP	
	As At 30.06.2021 Audited	As At 30.06.2020 Audited
Assets	**Rs000**	Rs000
Property, plant and equipment	**29,772,771**	28,355,603
Investment properties	**3,123,499**	2,857,422
Intangible assets	**2,456,225**	2,168,837
Investments	**11,273,701**	10,318,765
Deferred tax assets	**496,147**	588,737
Right of use assets	**4,901,887**	5,108,832
Other assets	**176,661**	139,640
Non-current assets	**52,200,891**	49,537,836
Current assets	**17,942,846**	15,824,360
Assets classified as held for sale	**838,519**	921,518
Total Assets	**70,982,256**	66,283,714
Equity and Liabilities		
Equity attributable to owners of the parent	**15,033,455**	14,063,455
Non-controlling interests	**12,438,187**	11,097,260
Total equity	**27,471,642**	25,160,715
Non-current liabilities	**27,144,725**	22,250,152
Current liabilities	**15,992,690**	18,430,991
Liabilities associated with assets classified as held for sale	**373,199**	441,856
Total Equity and Liabilities	**70,982,256**	66,283,714

Key changes on the Group Statement of Financial Position relate to:

Property, plant and equipment: The increase of Rs 1.4 billion is mainly attributable to the development of LUX* Grand Baie and the extension of the group's shipyard at CNOI.

Current assets: The increase compared to last year is attributable largely to the increase in inventory volumes and costs in our commercial operations as well as a net increase in cash and cash equivalents, a result of raising new long-term debt net of repayments.

Current liabilities: Amounts have dropped mainly due to repayment of debt which matured during the year, refinanced by long term debt.

Non-current liabilities: The increase is attributable to the raising of new debt, including IBL's Rs 3 billion bond issue, new bank loans and some refinancing during the year.

GROUP CFO'S REPORT

COMPANY PERFORMANCE FOR FY2021

Profit or loss

Summary of the published results for the Company

	THE COMPANY	
	Year Ended 30.06.2021	Year Ended 30.06.2020
	Rs000	Rs000
Revenue	**4,767,958**	4,412,409
Dividend Income	**725,400**	601,904
Total Revenue	**5,493,358**	5,014,313
Cost of sales	**(3,779,105)**	(3,435,925)
Gross Profit	**1,714,253**	1,578,388
Other income	**204,711**	265,069
Administrative Expenses	**(1,486,310)**	(1,528,074)
Expected credit losses	**(54,152)**	(335,422)
Profit/(loss) from operations	**378,502**	(20,039)
Other gains and losses	**11,711**	241,012
Net finance costs	**(347,158)**	(305,031)
Profit/(loss) before taxation	**43,055**	(84,058)
Taxation	**(31,975)**	(25,238)
Profit/(loss) for the year	**11,080**	(109,296)

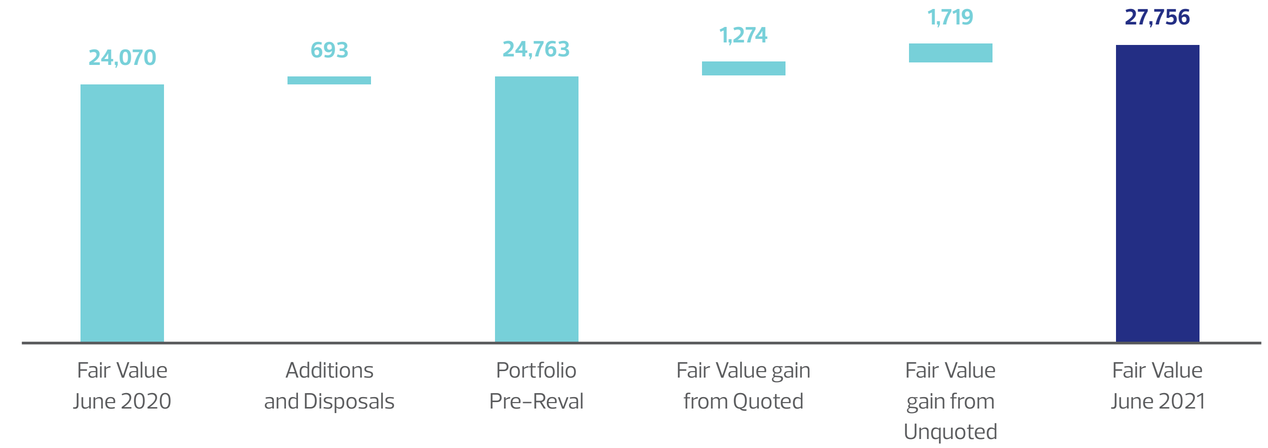
Dividend income for the year was higher as our subsidiaries and associates stabilised after the initial Mauritian lockdown. Our hospitality, property development and aviation businesses aside, most remaining subsidiaries were able to perform well despite the pressures of COVID-19 lingering on the market.

BrandActiv and HealthActiv, businesses which are consolidated as part of IBL Company as well as IBL Group, saw revenue grow 8% compared to last year.

Expected credit losses (ECL) for FY2021 were lower compared to last year, when the Company had prudently provided for non-recovery of debtors. Other gains and losses in FY2020 included a one-off transfer of employee benefit liabilities to IBL's subsidiaries, relating to the latter's current and former employees, following an agreement reached with these subsidiaries to recharge pension costs and liabilities attributable to them.

Company investment portfolio: Movement year on year (excluding other financial assets)

Figures in Rs millions



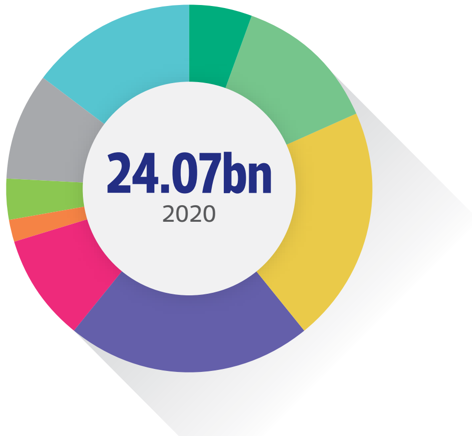
Gain/(Drop) – Listed Investments

Movement in Value for Listed Investments	No of shares held (at June 2021)	Share price June 2020 (Rs)	Share price June 2021 (Rs)	Fair value 2020 (Rs M)	Additions (Rs M)	Total prior to revaluation (Rs M)	Fair value 2021 (Rs M)	Gain/(Drop) in Portfolio (Rs M)	% Gain/(loss) on quoted
LUX* (LIR)	77,425,389	28.00	33.00	2,168		2,168	2,555	387	18%
BlueLife	663,067,517	1.27	0.69	407	188	595	458	(137)	12%
Highly impacted companies				2,575	188	2,763	3,013	249	17%
Alteo	88,033,272	15.20	25.80	1,338		1,338	2,271	933	70%
UBP	8,785,100	128.50	144.75	1,129		1,129	1,272	143	13%
PICL	1,488,130	420.00	383.25	625		625	570	(55)	-9%
PhoenixBev	527,659	614.00	600.00	324		324	317	(7)	-2%
The Bee Equity	3,083,292	24.10	27.60	74		74	85	11	15%
Low to medium impact				3,490	-	3,490	4,515	1,025	29%
Total				**6,066**	**188**	**6,253**	**7,527**	**1,274**	**24%**

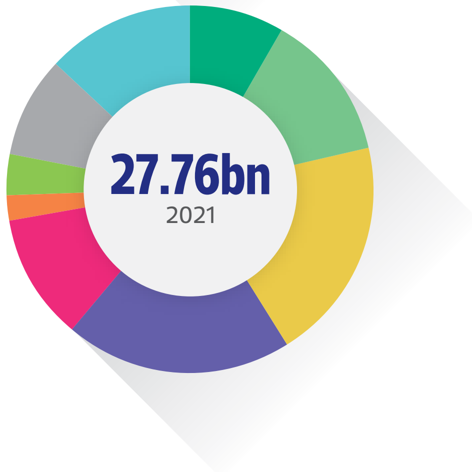
The fair value of both our quoted and unquoted investments have risen during the year. The fair valuation of quoted investments was driven by stock closing prices on 30 June 2021. Fair valuation of unquoted investments rose principally off the back of much better results during FY2021 and projections.

GROUP CFO'S REPORT

The movements above resulted in the following changes to the mix of IBL's overall portfolio (excluding other financial assets):



5.6% Agro & Energy
13.0% Building & Engineering
20.7% Commercial & Distribution
21.8% Financial Services
9.4% Hospitality & Services
1.9% Life & Technologies
3.6% Logistics
9.5% Property
14.5% Seafood



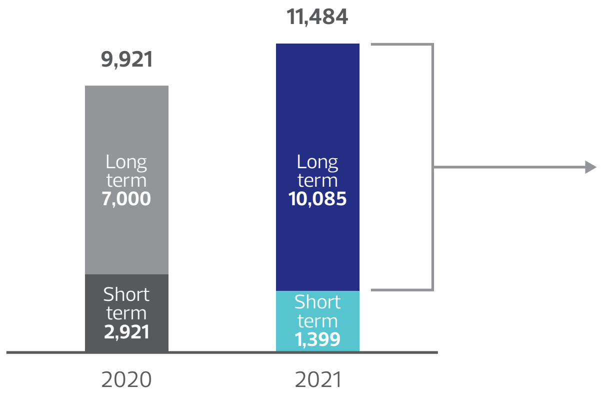
8.4% Agro & Energy
13.1% Building & Engineering
19.7% Commercial & Distribution
20.0% Financial Services
11.2% Hospitality & Services
2.3% Life & Technologies
3.5% Logistics
9.0% Property
12.8% Seafood

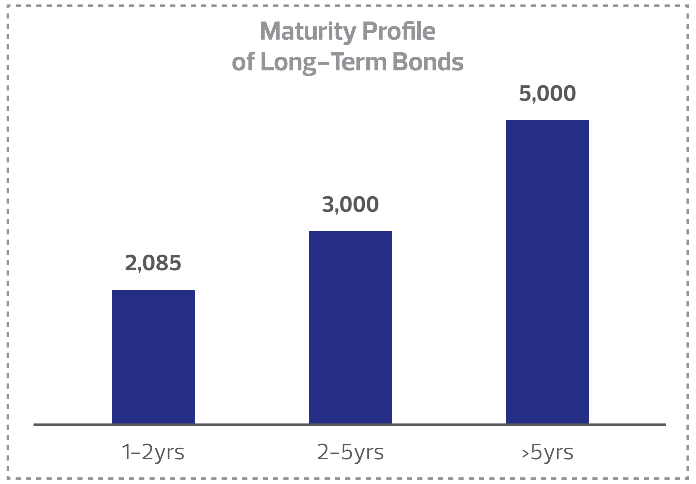
Borrowings

The Company issued Rs 3 billion of bonds during the year, mainly to refinance short-term debt to longer terms. The Group's maturity profile as of 30 June 2021 is as follows.

Borrowing profile:

Figures in Rs millions

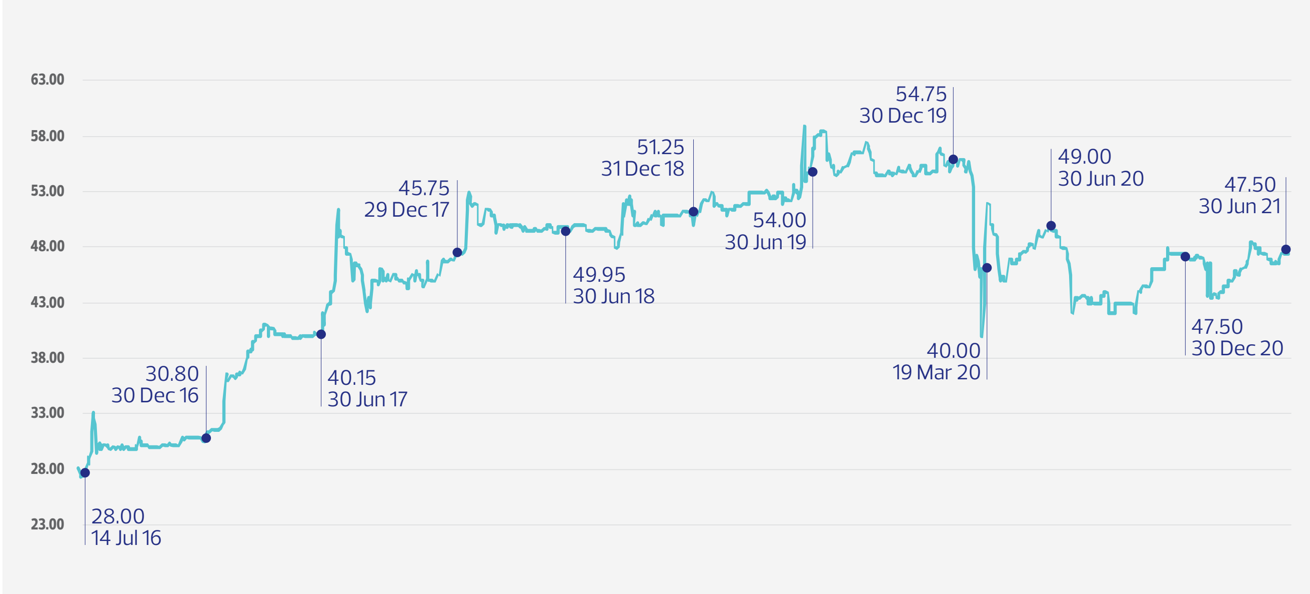




COMPANY SHAREHOLDER INFORMATION

Figures in Rs

Share price evolution



PRICE	NO OF SHARES	CAPITALISATION
47.50 30 JUNE 2021 (30 JUNE 2020 – **49.00**)	**680,224,040**	**32,311m** 30 JUNE 2021 (30 JUNE 2020 – **33,331m**)

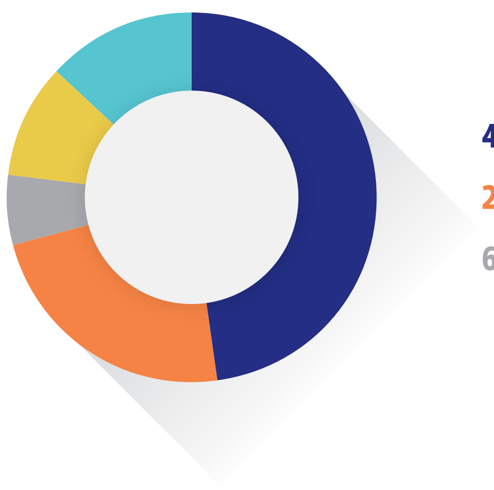
SHAREHOLDER INFORMATION FOR FINANCIAL YEAR 2021 (July 2020 – June 2021)		
HIGHEST VOLUME TRADED ON ANY DAY	**2,137,248**	
TOTAL SHARES TRADED IN FY 21	**10,654,868**	
AVERAGE DAILY VOLUME TRADED	**44,211**	
HIGHEST	**50.00**	
LOWEST	**42.00**	

GROUP CFO'S REPORT

Value added statement – Group

	2021	2020
	FY2021	FY2020
Value Created through:		
Revenues	**35,861,942**	36,541,870
Other Income	**1,222,972**	748,314
Cost of sales and other operating expenses	**(26,450,298)**	(27,634,543)
Amortisation and depreciation	**(2,286,525)**	(2,228,204)
Share of results of Associates and Joint Ventures	**757,029**	568,435
Loss for the year from discontinued operations	**(309,930)**	(90,060)
Profit on disposal of subsidiaries	**218,575**	–
Other gain and losses and impairments	**129,982**	(1,076,124)
	9,143,747	6,829,688
Other comprehensive income	**1,953,025**	318,455
Total value created	**11,096,772**	7,148,143
Value distributed to:		
Employees: as remuneration and pension	**5,372,516**	4,692,361
Government: as taxes and duties	**2,587,854**	2,406,907
Shareholders: as dividends	**637,074**	743,061
Lenders: as finance costs less interest income	**1,108,452**	1,156,572
Reinvested or revalued within the Group	**1,390,876**	(1,850,758)
Total value distributed	**11,096,772**	7,148,143

Value distribution



48% Employees
23% Government
6% Shareholders
10% Lenders
13% Reinvested

OVERALL OUTLOOK

Mauritius deployed its vaccination campaign in the second half of FY2021. Take up has gradually increased to the extent that as of September 2021, we had 82% of the adult population vaccinated. This is positive for a number of reasons, not least because it allows businesses, especially in the hospitality sector, to gradually plan their resumption.

As demonstrated by the figures reported above, IBL has shown its resilience during FY2021. As borders reopen in Mauritius, there is an expectation that things will settle into a new normal fairly quickly.

We will however remain vigilant and continue to monitor the evolution of the pandemic, taking appropriate measures as needed.

Finally, we are working on numerous growth initiatives, and we believe the health and energy sectors in Africa offer particular growth opportunities. IBL will continue to rigorously test these opportunities to ensure that any investment that we make is able to generate the planned returns in a timely manner.

Dipak Chummun
Group Chief Finance Officer

AGRO & ENERGY

A leader in the Mauritian and East African sugar industry with expertise in sugar cane growing and milling, and a major producer of special sugars and sugar cane by-products. The Cluster also brings together IBL's expertise in renewable energy. It owns substantial land assets in eastern Mauritius and has expertise in luxury property development.

KEY FIGURES (ALTEO*)

Revenue
Rs 9,549m
FY 2020: Rs 8,287m

Operating profit
Rs 3,205m
FY 2020: Rs 1,320m

Team members
5,860
FY 2020: 5,723

3 Businesses in 3 countries
FY 2020: 3

** Alteo consolidated as an associate.*

MATERIAL COMPANIES

- Alteo
- IBL Energy

PERFORMANCE OVERVIEW

The Cluster performed better overall this year thanks to the improved performance of our sugar activities. These benefitted from a rise in global sugar prices, currently at a four-year high due in part to the devaluation of the Mauritian rupee. An operational restructure also delivered cost reductions in this segment.

In our property segment, the performance of Anahita Golf & Spa Resort and Anahita Golf Club was affected by the ongoing COVID-19 pandemic. However, our property development operations performed better than last year.

In our energy segment, the development and construction of existing projects was slightly impacted by delays linked to COVID-19 and logistical issues, but our overall project pipeline has remained strong, driven by an overarching demand for renewable energy solutions in the commercial and industrial segments.

HOW THE CLUSTER CREATES VALUE FOR IBL

The Agro & Energy Cluster is key to IBL's strategy, with both the renewable energy sector and investment in East Africa identified as major growth areas for the group. The energy sector is a significant driver of economic growth worldwide, with renewables among the fastest-developing energy sources globally. The African continent is forecast to add 100,000MW of capacity by 2035, creating significant potential for investment. In Mauritius, the government intends to move away from traditional energy sources towards renewables and the recently announced Biomass Remuneration Framework is a key component in ensuring the supply of bagasse, a local, renewable energy source. IBL is committed to supporting that transition.

Sugar consumption is expected to continue to rise worldwide and on the African continent in particular.

Real estate substantially contributes to Mauritius' economic growth and is part of IBL's core Mauritian strategy.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Sugar We continued to deliver on our strategy of diversifying into higher value-added products such as special sugars and optimising revenues from by-products such as bagasse and cane trash for energy. Our cost rationalisation exercise and agricultural mechanisation strategy, coupled with improved prices, also contributed to our Mauritian sugar operations' positive performance. Following an agreement with the Mauritius Sugar Syndicate, Alteo's refinery in Mauritius ceased its operations in August 2020. Thanks to the combined impact of a significant volume increase and an increase in retail prices in Tanzania, TPC's turnover grew substantially in FY21. In Kenya, our minority shareholders have been bought out, giving IBL greater control over the business. Our Kenyan operations are nearing the breakeven point, a marked improvement over previous years.	· Pursue our production of higher- value added Special Sugars and our diversification into sectors such as agriculture and livestock- rearing on marginal lands for the Mauritian market. · The Mauritian Government's implementation of the Biomass Remuneration Framework is a game- changer that will positively impact the industry for years to come. · In Tanzania, the group will continue to explore a possible investment in a distillery to produce Extra Neutral Alcohol (ENA) from molasses for the domestic market. · In Kenya, the group will continue its investment in cane development and transport equipment, as well as in specific areas of the factory itself to improve overall performance.
Property Our Property business had a challenging year due to the COVID-19 crisis and the closure of Mauritius' borders. Its management implemented a series of measures to minimise costs and reduce the crisis' negative impact. These cost containment measures and the Government's Wage Assistance Scheme have helped the company avoid any retrenchment so far. Anahita Estates Limited completed 11 sales of serviced land plots during FY2021, but the target for off-plan villa sales was not met, which impacted the overall performance of the company. However, several confirmed reservations should be completed in FY2022.	· The main objective is to sell the remaining residential units available at Anahita within 2 to 3 years, while also working on the future phases of development in the Anahita region. · Anahita Resorts and Villas Ltd's (ARVL) outlook remains uncertain and will depend on the willingness of tourists to travel to Mauritius as from October 2021. Competition will be tough from local hotels as well as from other destinations over the world. · Anahita Golf Ltd's performance will continue to be heavily dependent on the occupancy rate of the two resorts located within Anahita (ARVL and Four Seasons at Anahita).
Energy A strategic review was undertaken in partnership with McKinsey and its recommendations were approved by the IBL Board. A management team was recruited to deliver on the agreed strategy.	· Finalise the development of existing energy projects, most of which are within various IBL Clusters. · Structure the team to enable our regional development in East Africa. · Continue to develop capacity and in-house know-how to better address the renewable energy needs of our commercial and industrial customers. · Transform our strong and growing pipeline of opportunities into new projects to be developed in the coming years.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

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BUILDING & ENGINEERING

The Cluster brings together IBL's expertise in building, engineering and contracting. It delivers some of Mauritius and the wider region's largest and most prestigious property development projects.

KEY FIGURES

Revenue
Rs 7,086m
FY 2020: Rs 5,831m

Operating profit
Rs 541m
FY 2020: (Rs 149m)

Team members
3,354
FY 2020: 3,821

Active in 4 countries (UBP)
FY 2020: 4

MATERIAL COMPANIES

- Manser Saxon Group
- CNOI
- UBP

HOW THE CLUSTER CREATES VALUE FOR IBL

The construction industry is a major driver of growth for the IBL Group and for the Mauritian and regional economies.

It is a key pillar of the Mauritian Government's development strategy (via Smart City schemes, infrastructure development). The sector provides direct and indirect employment to 22% of the country's total workforce and contributed 9.7% of GDP in 2019.

PERFORMANCE OVERVIEW

The Manser Saxon Group performed satisfactorily but was affected by COVID-19-related closures as well as reduced activity in the hospitality sector.

CNOI's operations were impacted by border closure in Mauritius, both because boats were unable to enter to port area and foreign engineers and technicians could not enter the country. This resulted in boats choosing other locations for repair or in some cases led to the postponement of their repairs.

The UBP Group's revenue increased by 17% to Rs 3.3 billion and operating profit more than doubled to Rs 269 million during the year under review, due mainly to our core business and retail segments. Although improving overall, its core business performance was impacted by a significant loss incurred by a subsidiary operating in Madagascar. The Board has decided to exit from Sri Lanka and to dispose of our subsidiary in that country.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Engineering and contracting · The wind-down of our construction division was completed and we exited our operations in Dubai. · Interiors division has been a focus and a new management team has been appointed. · Productivity and cost savings initiatives were pursued with positive results overall.	· Several "People" orientated initiatives are being launched with a significant focus on our "grassroots" and our Manser Saxon Training Academy. · The Interiors division will be streamlined and new international markets for its products are being explored. · The mechanical, engineering and plumbing division will continue to be a priority with large strategic projects that need to be delivered in the coming year.
Shipyard · Funding has now been committed to enlarge the shipyard, with additional land being developed and the installation of a new ship elevator with a capacity of 1500 tonnes. · Successful building and delivery of a vessel for Guyana.	· Start of operations at new enlarged site and of new ship elevator in November 2021. · Ongoing focus on winning shipbuilding contracts.
Building materials · UBP is currently undertaking an important strategic review and is transforming how it works. · In FY21, it continued to deliver on its digital transformation, e.g. by providing group-wide training into tools and approaches that promote simpler, more effective collaboration; and developing a Social Workplace as a company intranet . · Introduced new products such as the Megablock and hired a Group R&D Manager · Sought to improve customer engagement and satisfaction via continuous market studies, focus groups held across the group on materiality, and a market survey carried out by Espace Maison. · Continued to seek out customer excellence, with Drymix's laboratory now ISO 17025-certified and the launch of 'Partaz to lide', a programme to encourage employees to share ideas and solutions. · Registered an Environmental Product Declaration (EPD) for its concrete blocks and introduced a Volunteering Leave Policy for employees taking part in projects aligned with UBP's values and the Sustainable Development Goals.	UBP expects to present the outcomes of its strategic review to the Board by the end of the year, until then, UBP's strategic goals remain the same as last year's: · Capitalise on synergies within the UBP Group and improve efficiency via digital platforms and communication. · Continue to 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.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

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COMMERCIAL & DISTRIBUTION

Brings together IBL's B2B and B2C suppliers in the retail, consumer, healthcare and industrial sectors.

KEY FIGURES

Revenue
Rs 24,414m
FY 2020: Rs 23,639m

Operating profit
Rs 1,184m
FY 2020: Rs 591m

Team members
4,936
FY 2020: 2,965

Active in 2 countries

MATERIAL COMPANIES

- Brandactiv (IBL Ltd)
- Healthcare operations:
  - HealthActiv (IBL Ltd)
  - MedActiv (MTCL)
- Winner's
- Phoenix Bev (PBL)
- CMH
- Scomat
- Blychem
- DieselActiv
- Intergraph

HOW THE CLUSTER CREATES VALUE FOR IBL

The Cluster has a strong footprint in the Mauritian retail market thanks to its strategic geographical positioning and its ability to adapt to evolving consumer needs (including via e-commerce platforms and tools).

Pharma distribution and supermarkets have also been identified as core growth platforms that will power IBL's expansion into East Africa.

Essential services such as food and beverage distribution have shown resilience, with activities remaining stable during the Mauritian lockdown.

PERFORMANCE OVERVIEW

The performance of essential activities remained relatively stable during the Mauritian lockdown, despite very challenging operating conditions linked to ongoing COVID-19 restrictions.

Distribution operations remained stable but were challenged by supply chain issues caused by production imbalances and disruptions to freight and logistics.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Wholesale and distribution · New brands and distribution agreements have been secured by BrandActiv and HealthActiv. · Launch of new retail chain by HealthActiv (Wellness Warehouse). · Work has continued on our warehouse automation project, which is expected to be rolled out by end 2022.	· Continued efforts to expand our activities into the region. This is core to our 'sprint' strategy defined in collaboration with McKinsey. · Ongoing roll out of our retail chains. · Ongoing focus on brand management and representation.
Beverages · Profit before tax increased by 38% while volume increased by 3.1% at Edena S.A. in Reunion. · Business integration reinforced in Reunion following the acquisition of Edena S.A. · Development of a new product category: craft beer project finalised for the local market. · PET collection: proposal for new system presented to the Mauritian authorities. Percentage of PET collected to be doubled once this project is implemented.	· Launch craft beer in the Mauritian market. · Continue to work on product category development (e.g., flavoured and vitamin waters). · Continue to grow the business in Reunion. · Finalise EPR system legislation for PET collection and recycling with national authorities and begin its implementation. · Continue the development and implementation of the business' sustainability approach. · Follow up on opportunities with regional expansion.
Retail · Successful roll out of our new ERP system, enhancing our team's performance across the board. · Revamping of our Rivière du Rempart supermarket, consolidating our market share in the region. · Increased efficiency and cost reductions delivered as per targets.	· Revamp the Curepipe Forest Side supermarket and open the Victoria Station outlet. · Prepare and begin work on the opening of the new TRIBECA mall outlet planned for end 2022. · Ongoing focus on productivity and cost controls.
Industrial supply · Regional expansion via development of new business in West Africa and Ethiopia. · Develop digital printing business, particularly in Reunion. · Mauritius offset printing activity strongly impacted by a drop in consumption and the lack of tourism; a shift to digital printing has also been noted. · Packaging industry (beverages, canned goods, etc.) remains robust.	· Ongoing efforts to expand regionally in the offset printing industry in East and Central African markets. · Broaden our product range in African markets. · Strengthen our local presence in African markets through strategic partnerships with local companies. · Expand our digital printing business in Reunion and open our Digital Customer Centre, a dedicated showroom for digital printing products and services in Pailles Mauritius, in November 2021. · Deliver training in digital printing as part of Epson training programmes. · Reposition the packaging industry in light of new laws on single use plastic products.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

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FINANCIAL SERVICES

IBL's Financial Services Cluster brings together the group's expertise in a wide range of financial services, including banking, asset management and stockbroking, global business, private equity, insurance, and insurance/reinsurance brokerage. It has a major footprint in Mauritius' financial services sector and increasingly in the global financial services sector.

KEY FIGURES

Revenue
Rs 2,099m
FY 2020: Rs 2,013m

Operating profit
Rs 145m
FY 2020: Rs 91m

Team members
910
FY 2020: 875

Activities in 3 countries
Banking clients in over 160 countries (AfrAsia)

MATERIAL COMPANIES

- AfrAsia Bank
- DTOS
- Eagle Insurance
- City Brokers
- Ellgeo Re
- The Bee Equity Partners

HOW THE CLUSTER CREATES VALUE FOR IBL

The Cluster contributes to the development of resilient and well-functioning financial infrastructure and capital markets in Mauritius, which in turn are key to driving the country and the wider region's economic growth. The Cluster is also a driver of profitability for the IBL Group and a key pillar of its regional and international expansion strategy.

PERFORMANCE OVERVIEW

IBL's financial services activities continued to be impacted by the general business slowdown throughout 2021 due to the unfavourable economic climate, ongoing uncertainty and issues resulting from Mauritius' inclusion on the EU blacklist and FATF watch list.

Overall, IBL Operations within the Financial Services Cluster sought to:

- Implement proactive measures to counter Mauritius' inclusion on the EU blacklist and the impact of COVID-19.
- Improve operational efficiency and client experience, including by investing in technology.
- Recruit, retain and develop key talent.
- Secure strategic partnerships.
- Seek out growth opportunities locally and on the African continent.

Business development, new client acquisition and debtor management remain key challenges.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Banking Continued to provide essential banking services during the second Mauritian lockdown, ensuring that customers were able to access their accounts and funds in line with Central Bank and government expectations regarding turnaround times. Key challenges include: · The lack of foreign currency on the Mauritian market. · The risk of a liquidity crunch due to historically low interest rates, declining foreign exchange inflows and inflation caused by the rupee's depreciation. · Increasing pressure on net interest margins (part of a worldwide drop in rates), negatively impacting profitability. · The potential need for higher provisioning on receivables due to COVID-19's impact on clients, particularly in the hospitality industry. · Deteriorating credit quality market-wide, with moratoriums and extensions of the credit cycle.	The bank will need to remain alert and proactive to be able to respond to a potential deterioration in outlook in the industries to which it is exposed. It will also need to onboard new technologies in response to changing customer expectations and banking habits.
Global business Our global business activities were impacted by: · A reduction in client activity due to the international economic slowdown and the impact of Mauritius' inclusion on the EU and FATF lists. · Few opportunities to develop the business and acquire new clients given the ongoing closure of Mauritius' borders. The business' activities in Mauritius slowed during the 2021 financial year due to external partners (banks, lawyers) being unavailable and to our offices being inaccessible. However, its regional offices in Nairobi & Uganda continued to operate normally during this period. Securing timely payment of professional fees from clients remains a challenge in these difficult economic conditions.	Opportunities include offering regulatory and compliance services to other industry players in light of new regulatory requirements.
Insurance Our insurance business' performance was impacted by the overall economic slowdown in FY21. Cost management remains crucial, particularly in the context of the pandemic, which has seen reinsurance costs rise significantly. The business maintained its service levels during the second lockdown but experienced some processing delays. The performance of its motor insurance business remains a challenge due to a combination of intense competition, which has put pressure on premium rates, and the increasing cost of repairs. Measures have been taken by management to resolve these issues over the medium to long term. Its health insurance business, which was created two years ago, is doing well. With the specialist knowledge and expertise of Medscheme as administrator, Eagle aims to differentiate itself from its competitors by offering different types of products while providing excellent service supported by online portals and mobile apps. The company continues to seek out investment opportunities in East Africa to expand its regional footprint. It also continues to strengthen its risk management framework and leverage the expertise and network of its other major shareholder, HWIC Asia Fund, to improve its internal capabilities.	Going forward, the business will seek to improve its customer offering and review its IT and digital infrastructure to improve efficiency and customer experience.

FINANCIAL SERVICES

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Insurance brokerage Despite the economic slowdown, our insurance brokerage business delivered a commendable financial performance. City Brokers reviewed its organisational structure during FY21 to better respond to the needs of its clients as well as to improve operational efficiency.	The business will seek to capitalise on its new organisational structure and improve its human capital management through better use of internal communication, by reinforcing its team spirit and encouraging team members to take more initiatives. Given the difficult economic conditions, the priority is to provide the most economically viable solutions to the business' clients while ensuring adequate insurance protection.
Reinsurance brokerage Our reinsurance business (Ellgeo Re) was impacted by the second lockdown and the general economic slowdown (particularly in the hospitality sector). This resulted in insurance policies being reduced to a minimum. In addition, competition in this sector is becoming increasingly fierce. These factors have impacted the business' revenues. Following the approval of the Financial Services Commission, IBL became the sole shareholder of Confido Holdings Limited, Ellgeo Re's holding company, in December 2020.	The business' portfolio diversification strategy is becoming increasingly important. It is pursuing it by working on internationalisation, constantly reviewing its panel of reinsurers, and extending its offer through niche or innovative products (e.g., credit insurance, political risk investment insurance).
Private equity Most of the companies invested in by our specialist private equity business fared well during the year. In particular, FAST, its stone-crushing subsidiary, delivered sustained growth in revenue and profits. However, the business' performance was significantly affected by Identical Pictures, its film production investee company, which suffered from reduced shooting opportunities due to Mauritius' border closure and ongoing sanitary restrictions. Reduced dividends from the listed equity portfolio also impacted revenue. The business continued to invest during FY21, notably closing an investment in a start-up that will launch a digital voucher application in the near future.	Key priorities include: · Safeguarding the business' investments by providing appropriate advice and support to investee companies, notably Identical Pictures; · Accelerating the deployment of capital in private equity projects; · Streamlining and diversifying the listed equity portfolio; and · Addressing the constraints arising from the small size of the team.
Asset management The business, Ekada Capital (formerly known as AfrAsia Capital Management Ltd), was restructured in 2020 and 2021, with AfrAsia Bank Limited ringfencing its banking operations from its non-banking activities. AfrAsia Bank distributed its shares in AfrAsia Capital Management Ltd to its shareholders in the form of a dividend in specie. The business was then rebranded Ekada Capital and raised an additional Rs 50m from its shareholders in 2021 as part of its strategic expansion. Its business was impacted by the second Mauritian lockdown, with delayed response times on the part of its partners, clients and suppliers creating a slowdown in the business in general.	Key priorities are to: · Revamp its development strategy on the local and international markets. · Ensure that is has the right resources and talent to deliver on its future growth.
Stockbroking Brokerage activity on the local market has been strongly impacted by the current economic uncertainty and investors' reluctance to invest on the stock market. Internationally, the business' activity remains sluggish with reduced client activity, exacerbated by the uncertainty linked to Mauritius' EU and FATF listing.	The business is in the process of developing a commercial action plan to consolidate its client base.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

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HOSPITALITY & SERVICES

IBL's Hospitality & Services Cluster brings together IBL's investments in the tourism and hospitality industries.

It consists of Lux Island Resorts (LIR), a property holding company that owns the cluster's real estate assets and operates its hotels; and The Lux Collective (TLC), a management company that owns a portfolio of brands including LUX*, Tamassa, SALT, SOCIO and Café LUX*. TLC manages both the hotels owned by LIR and other owners, mainly in Asia and the Indian Ocean regions.

KEY FIGURES

Revenue:
TLC: Rs 191m
FY 2020: Rs 480m
LIR: Rs 1,864m
FY 2020: Rs 4,664m

Operating profit:
TLC: (Rs 395m)
FY 2020: (Rs 70m)
LIR: (Rs 604m)
FY 2020: Rs 293m

Team members:
TLC: 255
FY 2020: 340
LIR: 2,257
FY 2020: 2,547

International presence:
TLC: 15 resorts managed in 4 countries
FY 2020: 10 resorts managed in 4 countries

Guest numbers:
TLC: 121,615 guests as at June 2021
FY 2020: 121,500

PERFORMANCE OVERVIEW

The Cluster's activities were heavily impacted by the ongoing COVID-19 pandemic. Due to repeated lockdowns and restrictions on international travel, the Cluster's Mauritian hotels were either closed, open for local business only, or used as quarantine centres. The latter, coupled with the Mauritian government's wage assistance scheme, helped alleviate the Cluster's operational loss.

Our Reunion operations opened to international visitors for part of the year, with a few periodic restrictions on F&B outlet operations and on-island travel. Despite this, overall performance exceeded that of last year.

Our Maldives hotels saw a strong recovery after reopening in July 2020, with a commendable performance compared to last year.

In China, with borders closed for the entire financial year 2020-21, our hotels operated only with local business. Despite periodic restrictions on interprovincial travel, performance was satisfactory.

MATERIAL COMPANIES

- Lux Island Resorts
- The Lux Collective

HOW THE CLUSTER CREATES VALUE FOR IBL

Despite the challenges that the COVID-19 pandemic has presented, the hospitality industry remains of vital importance in global value creation. Its prospects in the medium term are bright.

It represents a major percentage of the world's total GDP and, particularly in Mauritius and the Maldives, contributes heavily to local employment and foreign exchange.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
Property holding/asset management Negotiated support package from Mauritius Investment Corporation for Lux Island Resorts to maintain employment and meet our financial obligations, though cost- containment measures remain necessary. In line with our strategy to refurbish our owned assets to improve competitiveness, pursued the redevelopment of LUX* Grand Baie, scheduled to reopen in December 2021, as well as the refurbishment of LUX* Le Morne and LUX* South Ari Atoll.	Prepare to welcome guests when Mauritius' borders reopen fully and international travel resumes in October 2021. Aim to be ready with a high-quality commercial offer and refreshed properties while keeping teams and guests safe. Recovery will depend on the strength of the rebound in tourism arrivals to Mauritius. Continue to: · Maintain and invest in strategic assets. · Diversify our portfolio (e.g. by targeting business and golf tourism). · Implement sustainability initiatives and use them to drive sales.
Hotel management Mitigated the impact of COVID-19 on the group's liquidity position through cost containment measures as well as additional funding in the form of COVID-19 loans via the special line of credit extended to commercial banks by the Bank of Mauritius. Also successfully carried out a Rs 175m rights issue, which was fully subscribed, and arranged for a loan facility of Rs 250m. 5 new properties were opened in China, including 4 LUX* Tea Horse Road retreats, reinforcing our presence in the country. SALT Hospitality Ltd was placed under voluntary administration. Its team continues to work to ensure the best possible outcome.	Prepare for a recovery in the travel and tourism sector worldwide, including in Mauritius as of October 2021. Recovery will depend on the strength of the rebound. Continue to: · Pursue an asset-light strategy. · Increase the number of management contracts in targeted destinations. · Use 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.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

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LIFE & TECHNOLOGIES

The Cluster consists of two areas of activity whose common denominator is technology.

Life Together, previously known as IBL Life, consists of R&D services in Life Sciences (BtoB) as well as Health & Wellness activities (BtoC) including cutting-edge clinical research, ISO 17025 analytical and microbiological testing, medical diagnosis, medical and para-medical treatment, and patient care.

IBL Link offers state-of-the-art digital solutions in the web and e-commerce space, along with strategic media planning and buying. It also aims to create a venture capital activity and become a trusted partner in the East and South African start-up ecosystem.

KEY FIGURES

Revenue
Rs 308m
FY 2020: Rs 225m

Operating profit
(Rs 8m)
FY 2020: (Rs 4m)

Team members
466
FY 2020: 210

Activities in 4 countries worldwide
FY 2020: 5

MATERIAL COMPANIES

Life Together:
- CIDP
- QuantiLAB
- NovaLAB
- C+S
- The Act
- Platform Laser
- HealthScape
- Bon Pasteur

IBL Link:
- GWS Technologies
- Universal Media
- Price Guru

HOW THE CLUSTER CREATES VALUE FOR IBL

The health sector has been identified as a major growth driver for IBL and a key pillar of IBL's strategy overall.

The Cluster is positioning itself in order to capitalise on the health sector's future growth. Life Together is diversifying its offer away from BtoB businesses towards BtoC businesses. It has started to implement its vertical integration strategy by opening a brand-new diagnostic centre and creating new partnerships.

While IBL has had a presence in digital transformation, a key strategic enabler for the Group, for some time, the Life & Technologies Cluster is now shifting its focus to venture capital in early-stage tech, particularly in Africa, as part of IBL's strategy to deepen its presence in the region.

PERFORMANCE OVERVIEW

Though the COVID-19 pandemic impacted our business by slowing its growth, Life Together's revenue increased overall. Its companies demonstrated innovation and dynamism in supporting their clients and the Mauritian Government, with NovaLab assisting the Mauritian Ministry of Health by conducting PCR tests and helping with contact tracing exercises.

IBL Link's current portfolio companies were generally impacted by the current crisis while showing positive signs of resilience.

PROGRESS AGAINST STRATEGIC PRIORITIES

Life Together
- Life Together pursued its investments in the health and wellness sector in line with IBL's wider strategy.
- Infrastructure work on HealthScape, a medical and health destination, began at Forbach in Mauritius.
- C+S, a multi-disciplinary health diagnostic centre, was opened.
- A partnership with the Bon Pasteur Clinic was finalised.
- While CIDP had a good year with strong growth from its Mauritian and Romanian subsidiaries, CIDP Singapore was deeply impacted by COVID-19, leading to a strategic repositioning in that region.

IBL Link
- A Head of IBL Link was appointed with a mandate to redefine the business' strategy for the coming years.
- The IBL Board approved the establishment of a strategic partnership to co-create an investment vehicle. The vehicle will channel investments in tech or tech-enabled early-stage start-ups in East and South Africa.
- GWS delivered promising growth in its recurrent revenue segment and is currently looking for a high-calibre business developer to help increase its web projects income stream.
- A large drop in its clients' advertising expenditure, as well a drop in EBITDA due to an internal restructure, adversely impacted Universal Media.
- A lower success rate in hire purchases had a direct influence on Price Guru's bottom line, but efforts to enhance cash sales resulted in a 12% rise in revenue stream. New executives were recruited to help the company achieve its mid-term goals. Alongside the creation of a fulfilment centre, this allowed the business to achieve a 96% customer satisfaction rating.

2021-22 PRIORITIES AND OUTLOOK

Life Together
- Complete Life's rebranding to Life Together and revamp its communications. Previously an investment company, it is now becoming a purpose-driven company that provides care and high-quality treatment to patients.
- Life Together will continue to develop its portfolio of innovative life sciences and technology businesses through strategic partnerships while pursuing the implementation of the IBL Group's wider health and wellness strategy, a key strategic pillar.

IBL Link
- Start executing the strategy approved by the Board.
- Execute the co-creation of a +/- USD 20m venture capital fund with a South African strategic partner.
- Start deployment of capital by investing in promising start-ups in East & South Africa.
- Finalise the branding and communication strategy of the venture capital arm.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

3 8 11

LOGISTICS

The IBL Logistics Cluster provides comprehensive end-to-end logistics, shipping and aviation solutions in Mauritius and the Indian Ocean.

KEY FIGURES

Revenue

Rs 1,319m

FY 2020: Rs 1,364m

Operating profit

(Rs 27m)

FY 2020: (Rs 64m)

Team members

796

FY 2020: 740

93% decrease in the number of flights handled at airport

FY 2020: 26% decrease

MATERIAL COMPANIES

- IBL Aviation
- IBL Shipping
- Ground2Air
- Logidis
- Somatrans
- Arcadia Travel

HOW THE CLUSTER CREATES VALUE FOR IBL

The logistics industry underpins the world economy. As an island nation, the Mauritian economy is strongly dependent on it for imports and exports.

There are also considerable synergies between the Logistics Clusters and other IBL activities, including group's Commercial & Distribution Cluster for instance.

PERFORMANCE OVERVIEW

- Activities related to air travel continued to be heavily impacted by international restrictions on travel and the ongoing closure of Mauritius' borders.
- Despite the country's resumption of commercial flights in July 2021, the uncertainty in the industry going forward is likely to represent a challenge in the next few years.
- Airfreight performance was particularly affected, with rates increasing significantly given the limited availability of cargo planes.
- Shipping and sea freight have begun to recover but remain below pre-COVID-19 volumes. Sea freight has been impacted by escalating rates for freight from Asia, which are now 4 to 5 times higher than prior to the pandemic. Mauritian quarantine rules have made it more difficult for vessels to carry out crew changes. The full reopening of Mauritius' borders should help the business segment recover.

PROGRESS AGAINST STRATEGIC PRIORITIES

- Currently implementing new technology to improve processes and increase efficiency, including a passenger app and system to optimise the planning and routing of our vehicles (Logidis). Some delays to testing due to some companies' staff continuing to work from home.
- Investment in e-commerce logistics activities: Partnership agreed for fulfilment of final mile deliveries.
- Investment in resources to ensure that we have the capacity we need, despite slower growth due to COVID-19: capacity increase in frozen cold rooms.
- Investing in human capital: talent review carried out to identify high-performing staff, leadership workshop carried out, succession plan now in place.
- Successfully implementing remote learning at our training school in the region, allowing courses to continue despite the Mauritian lockdown.
- Completed the implementation of our warehouse management system for all but one customer, for whom an alternative is being explored.
- Consolidated shipping activities: now all under one roof with significant synergies achieved in rental costs, management support and commercial activities.

2021-22 PRIORITIES AND OUTLOOK

- Focus on recovery of various aviation activities once air travel resumes.
- Ongoing search for investment opportunities outside of Mauritius.
- Focus on scaling up our passenger transport activity using our new transport routing system.
- Introduction of a marine surveying service.
- Somatrans due to increase its global network to tap into new markets and improve its logistics reach and coverage.
- Logidis management to be reorganised to bring in more talent and enhance our service offering in warehousing and transport. A new transport management system will be implemented next year.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

1 2 3 4 5 7 8 10 11 12 15

SEAFOOD

The Seafood Cluster represents IBL's investments in the vertically integrated Mauritian tuna supply chain.

KEY FIGURES

Revenue
Rs 1,556m
FY 2020: Rs 1,419m

Operating profit
Rs 306m
FY 2020: Rs 272m

Team members
(excluding associated companies)
550
FY 2020: 358
(excluding associated companies)

Active in 2 countries
FY 2020: 3

MATERIAL COMPANIES

- Froid des Mascareignes
- Transfroid
- Princes Tuna Mauritius
- Mer des Mascareignes
- Marine Biotechnology Products
- Cervonic
- Marine Biotechnology Products Côte d'Ivoire

PERFORMANCE OVERVIEW

The Cluster's performance was directly impacted by COVID-19 due to:

- reduced demand from food service business (restaurants and hotels)
- factory shutdowns
- reduced fish supplies

Operational performance was nonetheless exceptional, mitigating the effects of the pandemic.

HOW THE CLUSTER CREATES VALUE FOR IBL

The tuna value chain in Mauritius remains a strong model of vertical integration, from fish unloading to co-product processing. It is a considerable source of revenue for the group.

IBL is also investing in the conversion of effluent into energy, making its tuna operations the island's first zero-waste industry and contributing to IBL's sustainability objectives by reducing the Sector's carbon footprint.

IBL aims to create a truly global seafood sector with operations in the Indian and Atlantic Oceans. The cluster aims to promote innovation and efficiency to create value and ensure it is sustainable in the future. Marine Biotechnology Products Côte d'Ivoire is the first stage in the Cluster's international expansion.

PROGRESS AGAINST STRATEGIC PRIORITIES

- The Cluster pursued growth in value-added by-products both via the sale of new products (fish soluble) and by starting to process non-tuna by-products from the local market.
- It also achieved exceptional operating standards across the Cluster's operations, resulting in the optimisation of revenue, resources and cost controls.
- Embarked on an intense succession planning process (Future Fit Talent Journey).
- Opened Quay D shop to bring high end frozen fish to the local market.
- Ongoing work to create alignment between the seafood industry and Mauritian government regarding yellowfin tuna catches: A positive first step was taken in 2021 with the Indian Ocean Tuna Commission agreeing to a further reduction of yellowfin catches.
- Worked closely with associates to make collective decisions to minimise the impact of COVID-19 on the value chain and create cross-functional support.
- Began construction of Energie des Mascareignes – a partnership with Green Create for the treatment of effluent from our processing and fishmeal plants to produce energy (methane) that is set to reduce $C0_2$ emissions by 12,500 metric tonnes per year.
- Started digitalisation journey with the implementation of an ERP in one of the Cluster's businesses.

2021-22 PRIORITIES AND OUTLOOK

- Continue to invest in growing our pool of leaders for tomorrow.
- Aim to further pursue improvement in value-added by-products stream and bring new marine ingredients to the market.
- Develop a strategy for collecting and transforming more fish co-products for the local market.
- Provide service excellence and remain a preferred partner for transhipment and cold storage.
- Continue our African expansion and conduct a feasibility study to identify other opportunities to add value in fish storage, fish processing and co-product transformation.
- Develop a trading model based on our trusted relationships with suppliers and customers.
- Continue to grow Quay D's local fish sales and bring a greater volume of good quality fish to the local market.
- Complete construction and start operation of Energie Des Mascareignes and our Waste to Energy value plan by June 2022.
- Continue digitalisation journey with implementation of ERP in other business units.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

3 4 8 9 10 11 12 15

PROPERTY

The Property Cluster brings together IBL's expertise in land promotion, property development, investment and asset management and property management. It includes a substantial portfolio of diversified, strategically located and high-value properties in Mauritius, comprising retail, office, industrial and hospitality asset classes alongside a large land bank earmarked for development.

KEY FIGURES

Revenue

Bloomage: **Rs 310m**
FY 2020: Rs 283m

BlueLife: **Rs 105m**
FY 2020: Rs 309m

Operating profit

Bloomage: **Rs 169m**
FY 2020: Rs 176m

BlueLife: **(Rs 162m)**
FY 2020: (Rs 154m)

Team members

433
Bloomage: 31
BlueLife: 402
FY 2020: 459

Portfolio value

Bloomage: **Rs 4.1bn**
FY 2020: Rs 4bn

BlueLife: **Rs 3.3bn**
FY 2020: Rs 3.5bn

Portfolio gross letting area and occupancy

Bloomage: **89,081 m²**
with 97.3% occupancy

FY 2020: 87,688 m²
with 95.8% occupancy

MATERIAL COMPANIES

- Bloomage
- BlueLife

HOW THE CLUSTER CREATES VALUE FOR IBL

Real estate is a major driver of Mauritius' economic growth and part of IBL's core Mauritian strategy.

IBL benefits from the synergies between Property and other Clusters: Bloomage works in tandem with group entities to cater to their real estate requirements.

In the medium term, the aim is for the Property Cluster to consist of a property development fund alongside a yield fund.

PERFORMANCE OVERVIEW

COVID-19 continues to impact our property development business (BlueLife), with activities temporarily halted as potential buyers could not fly in. Hospitality activities were also halted, with revenue decreasing substantially due to a combination of local lockdowns and travel restrictions. A change in accounting policies led to a revaluation surplus of MUR 152m in Other Comprehensive Income.

Despite the challenging context, revenue in **our investment and asset management activity (Bloomage)** increased by 11% compared to the previous financial year, the result of an improvement in overall occupancy and contributions from prior year investments.

There was also a strong focus on operational excellence and cost containment in property management.

Our portfolio of investment properties is resilient and diversified and has maintained its value.

PROGRESS AGAINST STRATEGIC PRIORITIES	2021-22 PRIORITIES AND OUTLOOK
· Ongoing development of synergies between Bloomage, BlueLife and other IBL entities, e.g. the collaboration between Bloomage, BlueLife and IBL Life on HealthScape in Forbach.	
Property development · Progress made on improving the profitability of BlueLife's operations, though hotels continued to make a loss. Debt reduction achieved through the sale of non- core assets and a Rights Issue with the capitalisation of shareholders loans. Debt-to-Equity ratio reduced to 55% (down from 80% in June 2020). · Construction has begun on 'The Nine', a Par 3, 9-hole golf course.	**Property development** · Complete financial restructuring of hotel activity. · Recognise Revenue and Profit from property development cluster in FY2021/22. · Obtain Smart City Certificate and launch first projects under the scheme. · Within the Azuri masterplan, engage in implementing sustainability roadmap in alignment with IBL sustainability goals.
Investment and asset management · Maintained ability to access funding and act on investment opportunities: at least three development/acquisition projects initiated and set to materialise in FY 2022 at Bloomage. · Supported tenants, especially in the hospitality sector, via rent rebates and/or deferrals. · Ongoing efforts to develop Bloomage's asset and property management capabilities, with a strong focus on internal training and mentoring in FY 2021.	**Investment and asset management** · Market conditions expected to remain challenging with pressure on rent and yields. · Increase in cost of construction will further put pressure on yields. · Pursue growth strategy through development projects that will start in FY 2022. · Continue to focus on our geographical diversification strategy.

LINK TO IBL GROUP STRATEGY

LINK TO IBL GROUP RISKS

1 2 3 4 5 6 7 8 11 12 13 14 15

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

INTRODUCTION

IBL Ltd ('IBL' or the 'Company'), 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 2020-2021 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 Share Dealing Policy has been approved and signed by all the Directors and Senior Officers of IBL.

In accordance with good governance practices, 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 by IBL's Corporate Governance Committee (which also acts as Nomination and Remuneration Committee). The Board of IBL subsequently designates its representatives on the Boards of these subsidiaries.

The Governance Charter and the IBL Share 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, was last reviewed and approved by the Board on 3 June 2019. The Board has strongly encouraged and recommended the companies of the Group to make use of the spirit of this Code when adopting their own Code of Ethics.

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 reflecting the key senior positions and the reporting lines within the Group is set out in the section "Leadership" of the Integrated Report.

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) out of which, 4 are Independent Non-Executive, 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 adequate set of expertise. 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 implement 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.

Profiles of directors and details of external appointments

Directors' profiles, including details of their appointments in listed companies, have been disclosed in the section "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 the Directors do not have a relationship with the shareholders holding more than 5% of the Company's shares.*

CORPORATE GOVERNANCE REPORT

Board meeting process

BEGINNING OF THE YEAR	· Planning for Board Meetings for the ensuing year is set by the Group Corporate Secretary.
SETTING OF AGENDA	· 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.
BEFORE 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.
BOARD MEETING	· Regular matters such as the review of activities of the various clusters of IBL or reports from the Committee Chairpersons are discussed.
AFTER BOARD MEETING	· 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.

The Board in 2020-2021

During the year under review, the Board met 5 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 fair value 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 2020-2021 · Assessment of the cash flow
STRATEGY	· Review of the various investment projects · Review of the strategy by McKinsey
GOVERNANCE	· Approval of the nomination of directors on the various Boards of subsidiaries · Approval of the appointment of an independent director · Approval of the Corporate Governance Report and Statement of Compliance · Consider and approve changes to the Board Charter · Review and recommend changes to the composition of the board and membership of committees
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) · Approval of the 3rd issue of Notes under the existing multi-currency note programme

Attendance in 2020-2021

	06/11/2020	03/12/2020	11/02/2021	03/05/2021	03/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Jan Boullé	✓	✓	✓	✓	✓	5
Jean-Claude Béga	✓	✓	✓	✓	✓	5
Martine de Fleuriot de la Colinière	✓	✓	✓	✓	✓	5
Isabelle de Melo	✓	✓	✓	✓	✓	5
Pierre Guénant	✓	✗	✓	✓	✗	3
Jason Harel(1)	✓	✗				1
Arnaud Lagesse	✓	✓	✓	✓	✓	5
Benoit Lagesse	✓	✓	✓	✓	✓	5
Hugues Lagesse	✓	✓	✓	✓	✓	5
Jean-Pierre Lagesse	✓	✗	✓	✓	✓	4
Thierry Lagesse	✓	✓	✓	✓	✓	5
Gilles Michel	✓	✓	✓	✓	✓	5
Maxime Rey	✓	✓	✓	✓	✓	5
Jean Ribet	✓	✓	✓	✓	✓	5
Richard Arlove(2)			✓	✓	✓	3
Stephane Lagesse (Alternate to Thierry Lagesse)	-	-	-	-	-	-

Notes:

(1) Resigned on 31/12/2020.

(2) Appointed on 01/01/2021 in replacement of Jason Harel who resigned on 31/12/2020.

CORPORATE GOVERNANCE REPORT

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 was last reviewed on 3 June 2019 and is available on the Company's website at **www.iblgroup.com**

Composition

The Committee is chaired by Richard Arlove, an Independent Non-Executive Director (previously chaired by Jason Harel who resigned on 31 December 2020). The other members of the Committee are Isabelle de Melo, an Independent Non-Executive Director, Benoit Lagesse (appointed with effect 01 July 2021 in replacement of Maxime Rey who has resigned as member of the Committee) 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.

Attendance in 2020-2021

	22/07/2020	02/09/2020	21/09/2020	06/10/2020	04/11/2020	26/11/2020	05/02/2021	22/04/2021	05/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Jason Harel [1]	✓	✓	✓	✓	✓	✓				6
Richard Arlove [2]							✓	✓	✓	3
Isabelle de Melo	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Thierry Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Maxime Rey	✓	✓	✓	✓	✓	✓	✓	✓	✓	9

Note:

(1) Jason Harel resigned on 31/12/2020.

(2) Richard Arlove was appointed on 01/01/2021 in replacement of Jason Harel.

Matters considered in 2020-2021

During the year under review, the Audit and Risk Committee met 9 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 2020-2021 · Group CFO's report
INTERNAL AUDIT MATTERS	· Considered the various reports of the Head of Internal Audit on the subsidiaries of the Group
RISK MANAGEMENT MATTERS	· Considered the risk management approach and report · 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 guideline · Considered the IT Governance of the Group and the setting up of an IT governance sub-committee
OTHER MATTERS	· Presentation by the external auditor on the key audit matters for the year 2020-2021 · Presentation by the external auditor on a valuation of investments within the Group · Considered a summary from the Group CFO on main management points received from the external auditor · Considered a report on pension liabilities

Information, information technology and information security governance

In line with its digital transformation agenda, the Board of Directors of IBL has acknowledged the need for an Information Technology (IT) Governance Framework.

The purpose of establishing this framework is to ensure that:

- IT internal controls are adequate with independent assurance on the effectiveness of the IT internal controls are provided by the Internal services and External Auditors.
- IT strategy should be aligned to the business strategy and the Board may identify opportunities and solutions to be implemented, throughout the Group, as a global IT improvement strategy.
- Suitably qualified and experienced Chief Information Officers (CIO)/Head of Technology/IT Managers are duly appointed by the relevant CEO/COO/GM. Accordingly, an Information Technology Committee has been set up by the Board and meetings are scheduled on a two-monthly basis.
- IT goals and metrics are defined and communicated. The performance of IT processes and practices are monitored against the agreed objectives and reported regularly.
- The optimal investment is made in IT with costs managed as well as return on investment measured by the relevant boards or oversight committees at Business Units and Group Companies level. Where applicable synergies between IT initiatives are enabled and IT choices are in the best interest of the organisation, as a whole.
- IT risks are identified and adequately addressed in line with the Risk Management framework. IBL ensures that it has adequate business resilience arrangements in place for disaster recovery and that residual risk is minimised in case of incident.
- IT resources are sourced optimally and legitimately.
- Processes and procedures are in place to ensure that IBL's IT assets are managed, maintained, replaced and disposed effectively and in accordance to applicable IT policies.
- Infrastructure, systems and policies are in place for the management of information which includes information security and information privacy.

CORPORATE GOVERNANCE REPORT

The framework is based on COBIT 2019 and consists of the following domains:

INFRASTRUCTURE & OPERATIONS	APPLICATIONS	DATA & ANALYTICS	SECURITY & RISKS
STRATEGY & GOVERNANCE	PROJECT & CHANGE MANAGEMENT	RESOURCES	FINANCE

The responsibility for the implementation of the IT governance framework has been delegated to the management. In this context, an IT Governance Committee Charter was crafted and approved for the Group. The IT Committee comprising of the Group's senior executives, the Group CEO and chaired by an independent director of IBL has been set up. Heads of Business Units and other experts of business processes or technologies are invited as and when required.

Information Technology Committee

The Information Technology Committee is a sub-committee of the Audit and Risk Committee. The purpose of this sub-committee, which operates within defined terms of reference, is to *inter alia:*

1. Monitor and evaluate significant IT investments and expenditure.
2. Ensure that information assets are effectively managed.

Composition

The Committee is chaired by Isabelle de Melo, an Independent Non-Executive Director. The other members of the Committee comprising the Executives of IBL are Arnaud Lagesse, Jean-Claude Béga, Christine Marot, Diya Nababsing-Jetshan, Patrice Robert and Thierry Labat.

Attendance in 2020-2021

	02/04/2021	15/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Isabelle de Melo	✓	✓	2
Arnaud Lagesse	✓	✓	2
Jean-Claude Béga	✓	✓	2
Christine Marot	✓	✓	2
Diya Nababsing-Jetshan	✓	✓	2
Patrice Robert	✓	✓	2
Thierry Labat	✓	✓	2

Matters considered in 2020-2021

During the year under review, the Information Technology Committee met twice and matters discussed included:

- An IT assessment exercise
- Consideration of technology related critical risks and issues
- Review technological projects
- Review of IT policies and Group IT risks and issues

A one-size-fits-all approach could not be undertaken to implement the IT governance framework, given the heterogeneity of operations and their technology functions. Hence, an initial assessment of the maturity level of each Business Unit, including the Head Office, is being conducted by a third-party specialised in IT Governance and Risk Management. This independent assessment is being undertaken in each domain of the IBL IT Framework to identify any gaps to reach a minimum maturity standard. The Capability Maturity Model Integration (CMMI) model is used as a basis for scoring each domain. The model is a relatively simple representation of the sophistication/maturity of an organisation's processes, policies, people and technology. It describes several characteristics that may be exhibited by an organisation at each of the five maturity levels:

PROCESS SOPHISTICATION / MATURITY

MATURITY LEVEL	OVERVIEW	EFFECT	
OPTIMISING	Constantly improving process through effective feedback & automation	RISK	EFFECTIVENESS & EFFICIENCY
MANAGED	Process effectively measured and reported on		
DEFINED	Process defined and institutionalised. Policies, procedures and standards		
REPEATABLE	Process dependant on individuals. Define tasks		
INITIAL	Undefined tasks. Relient on initiative. Chaotic/"firefighting" action		

The objective is for each Operational entity and the Head Office to reach at least the 'defined' level in most of the technology domains. The assessment exercise is well under way and should be completed by March 2022. Once the assessment is completed for each Operational entity, its management is responsible for establishing an action plan to implement the recommendations to address the gaps identified.

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 was last reviewed and approved on 3 June 2019 and 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, Martine de Fleuriot (appointed on 3 July 2021 in replacement of Thierry Lagesse who resigned from the Committee) and Jean Ribet, who are Non-Executive Directors and Arnaud Lagesse, who is an Executive Director.

CORPORATE GOVERNANCE REPORT

Attendance in 2020-2021

	03/11/2020	18/05/2021	31/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Gilles Michel	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Arnaud Lagesse	✓	✓	✓	3
Thierry Lagesse	✓	✓	✓	3
Jean Ribet	✓	✓	✓	3

Matters considered in 2020-2021

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 of the appointment of Richard Arlove as Independent Director to the Board
CORPORATE GOVERNANCE	· Recommendation to the Board for approval of the Corporate Governance Report and Statement of Compliance · Reviewed and recommended changes to the Board Charter

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 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.

Attendance in 2020-2021

	10/07/2020	03/11/2020	25/06/2021	TOTAL NO. OF MEETINGS ATTENDED
Marc Freismuth	✓	✓	✓	3
Jan Boullé	✓	✓	✓	3
Jean Ribet	✓	✓	✓	3

Matters considered in 2020-2021

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 2020-2021
- Reviewing talent, career development and salaries
- Reviewing the succession plan for the CEOs and key Senior Executives of the Group
- Reviewing and approving the list of Executives entitled to the Long-Term Incentive (LTI) scheme for 2020-2021
- Reviewing the results of the agreed upon procedures presented by the external auditor regarding the LTI
- Assessing the impact of COVID-19 on the operations of the Corporate Centre/reduction of salaries
- Reviewing the contribution to the pension scheme for employees reaching retirement
- Reviewing the organigram 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.

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 2020-2021

MEMBERS	08/07/2020	27/07/2020	16/09/2020	08/10/2020	12/11/2020	01/12/2020	10/02/2021	11/02/2021	10/03/2021	14/04/2021	21/04/2021	21/05/2021	TOTAL NO. OF MEETINGS ATTENDED
Pierre Guénant	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Jan Boullé	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Arnaud Lagesse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
Thierry Lagesse [1]	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
Gilles Michel	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	10
Jean Ribet	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10

Note:

[1] Being conflicted, Thierry Lagesse did not attend the meeting of 16 September 2020.

CORPORATE GOVERNANCE REPORT

Matters considered by the Committee in 2020-2021

During the year under review, the Strategic Committee met 11 times and the matters which were discussed included:

PROJECTS	· Considered various proposals/projects which are not yet finalised · Reviewed a warehousing facilities project · Received regular updates on projects/proposals presented by management
OTHER MATTERS	· Reviewed IBL's Strategic Plan proposed by McKinsey · Reviewed various projects in line with the Company's strategy

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, Richard Arlove has been appointed in replacement of Jason Harel who resigned on 31 December 2020. His appointment shall be recommended to the shareholders for approval at the forthcoming Annual Meeting. In addition, Pierre Guénant and Benoit Lagesse shall stand for re-election as per the Constitution of IBL.

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.

BOARD INDUCTION PROGRAMME

- One-to-one briefing with the Chairman of the Board and Group CEO
- One-to-one briefing with the Group Corporate Secretary
- 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. The last exercise was conducted in August 2019 by an external evaluator. The Board has further decided that an evaluation exercise shall be carried out internally during this present financial year.

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. Each Director is expected to act in the best interests of the Company and 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 has been delegated by the Board to the Corporate Governance Committee, is reviewed on an annual basis by the Remuneration Sub-Committee. The Board has reviewed the professional development and ongoing education of directors.

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:

- Board Charter
- Governance Charter
- Code of Business Ethics
- The Constitution
- Salient features of the Listing Rules and the Securities Act

Conflicts of interest and related party transactions policy

The Board Charter 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.

CORPORATE GOVERNANCE REPORT

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 non-Executive 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	200,000	-	-	-	-	-	-	400,000
Isabelle de Melo	400,000	200,000	60,000	90,000	-	-	-	-	750,000
Pierre Guénant	400,000	120,000	-	-	-	-	60,000	110,000	690,000
Jason Harel (*)	200,000	40,000	45,000	105,000	-	-	-	-	390,000
Benoit Lagesse	200,000	200,000	-	-	-	-	-	-	400,000
Hugues Lagesse	200,000	200,000	-	-	-	-	-	-	400,000
Jean-Pierre Lagesse	200,000	160,000	-	-	-	-	-	-	360,000
Thierry Lagesse	200,000	200,000	60,000	90,000	35,000	15,000	30,000	50,000	680,000
Gilles Michel	400,000	200,000	-	-	55,000	45,000	30,000	50,000	780,000
Maxime Rey	200,000	200,000	60,000	90,000	-	-	-	-	550,000
Jean Ribet (**)	200,000	200,000	-	-	35,000	15,000	30,000	50,000	530,000
Richard Arlove (***)	200,000	120,000	45,000	30,000	-	-	-	-	395,000

(*) Jason Harel resigned on 31 December 2020. Fees were paid for his six-month period in office.

(**) Fees paid to BMH Ltd

(***) Richard Arlove was appointed on 1 January 2021. Fees were paid on a pro-rata basis to Arphilia Consulting Ltd, the company employing him.

Notes:

(1) Fixed fees refer to annual fees and variable fees to attendance fees, which are paid per meeting attended.

(2) Jan Boullé is a full-time Non-Executive Chairman of the Group and is paid an annual fee of Rs. 6.3 M. He did not receive any attendance fees or committee fees for the year under review. No fees were paid to him for attending meetings of the Group's subsidiaries or associates and these 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 associates of the Group. These fees are instead paid to IBL Ltd.

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

Other Benefits/Incentives for IBL Employees

Long-term incentive scheme

A long-term incentive scheme targeted to eligible Executives who are employed on a full-time, permanent basis by the Company or by any subsidiary of the Company is in place. 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, puts forward the personal performance of the Executives, the Group and Company's profitability. Additional details are available in the Human Capital Report included in the Strategy section 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 Risk Management report included in the Strategy section if the Integrated Report. There are no identified risks which threatens the solvency and liquidity of the organisation.

CORPORATE GOVERNANCE REPORT

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"* of the Integrated Report.

AUDIT

Internal audit

The internal audit function holds its place within the third line of defence in the risk governance structure, providing an independent assurance to the Board and Senior Management on the adequacy and operational effectiveness of the internal control, risk management and governance system and processes. It reports functionally to the Audit and Risk Committee and administratively to the Group Head of Corporate Services of IBL Ltd. The leadership of the function rests with the Head of Internal Audit. PwC acts as a co-sourcer. The focus of the internal audit engagements is to address the main risks identified by the Audit and Risk Committee and Senior Management. These are reflected in the internal audit plan that is driven by a risk-based approach.

The effectiveness of the risk management framework and the control environment is assessed using the approved methodology whereby areas of relative weakness and areas requiring improvement are highlighted. Tracking the implementation rate of audit findings and the mitigation plan through an active online monitoring tool allows Senior Management to ensure that risks are being reduced. The internal audit approach and methodology are guided by the Institute of Internal Auditors, Information Systems Audit and Control Association as well as the applicable principles and guidance notes established by the National Code of Corporate Governance for Mauritius.

Building capabilities to surf the digital transformational phase

The internal audit function strives to follow the digital transformational wave by internally harnessing the latest tools and technologies to bring enhanced capabilities and confidence in the achievement of our roadmap. Those tools are a pivotal point in enhancing the role of the function with the advent of the data era. The internal audit function is using more analytics that will help business to mitigate inherent risks and have the desired level of control.

The need to have specific expertise within the internal audit team is reviewed with the Audit and Risk Committee. Regularly assessing growing emerging risks helps to maintain a balance between providing the right service and consolidating 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. He is assisted by a team consisting of Qualified Accountants, Certified Information System Auditor and graduates.

The COVID-19 second national lock down impact on the internal audit function

Amidst the global COVID-19 crisis, businesses are dealing with an avalanche of new challenges that require rapid responses in a highly volatile business environment. Following the first wave of COVID-19 and the second national lockdown, our internal audit function continued to redirect its risk-based approach towards operational risks and vulnerabilities faced by companies across the Group and provided insights to management to mitigate these risks. The internal audit team provided audit and advisory services to companies in a view to detect and mitigate impact of operational, cyber and fraud risks to ensure business continuity.

The internal audit engagements carried out during the financial year are detailed in the *"Audit and Risk Committee – Matters considered in 2020-2021"* section of this report.

The Head of Internal Audit attendance to IBL Ltd Audit and Risk Committee

MONTH IN WHICH IBL LTD AUDIT AND RISK COMMITTEE WAS HELD	ATTENDED
July 2020	✓
September 2020	✓
January 2021	✓
May 2021	✓

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.

30 internal audit engagements were carried out and the commented reports were presented to the respective Audit and Risk Committees or 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. Follow ups were done on three instances on 18 previous reports as shown in figure 1.2.

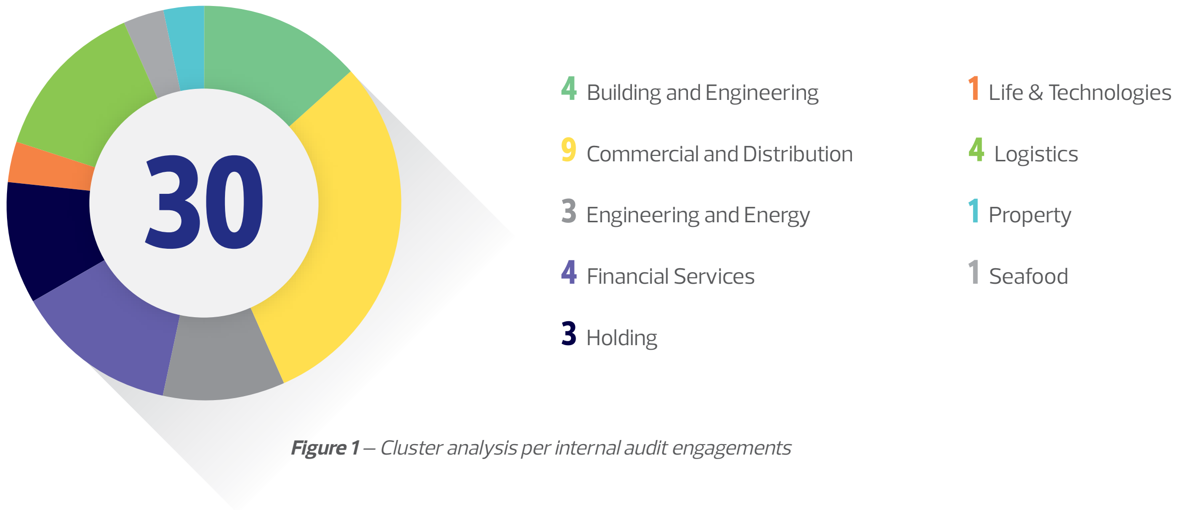

***Figure 1** – Cluster analysis per internal audit engagements*

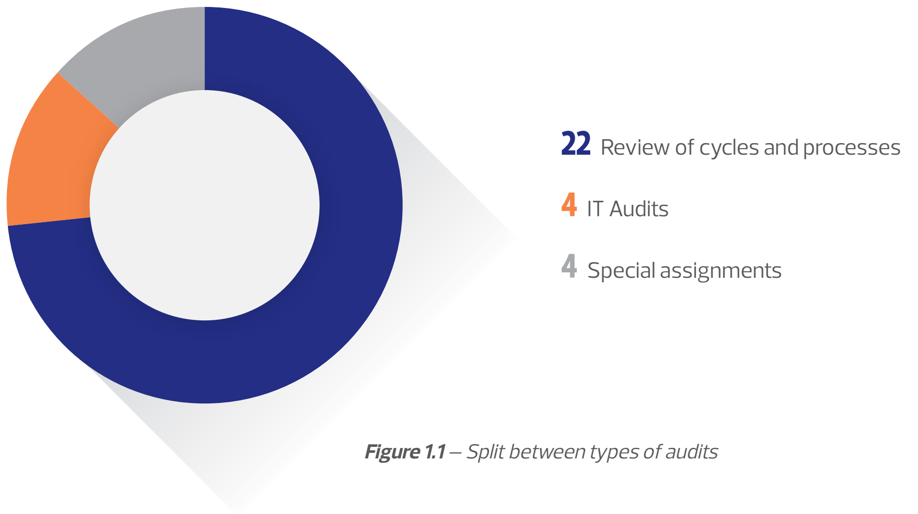

***Figure 1.1** – Split between types of audits*

CORPORATE GOVERNANCE REPORT

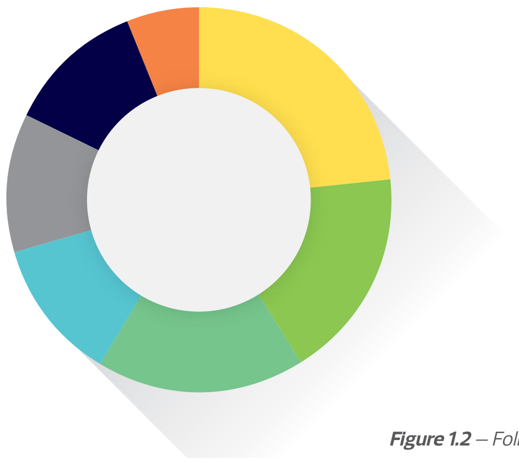

Figure 1.2 – Follow up per cluster

The major processes that were covered during these audits are listed below:

RELATED AUDITABLE CYCLES AND PROCESSES		NUMBER OF COMPANIES
1	Inventory	6
2	Cash and bank	5
3	Journals and finance procedures	5
4	Revenue and receivables	5
5	IT General controls, data migration and data security	4
6	Human capital	4

External Audit

At the forthcoming Annual Meeting of Shareholders, the Board shall recommend the appointment of Messrs. Deloitte as external auditor for the year ending 30 June 2022.

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

- reviewing the auditor's 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 auditor has direct access to the Committee should they wish to discuss any matters privately. During the financial year 2020-2021, the external auditor met the members of the Audit and Risk Committee outside the presence of management.

Auditor's independence

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

The external auditor is 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 auditor 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. The Auditor should ensure that it observes the highest standards of business and professional ethics and, in particular, that its independence is not impaired in any manner.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

IBL's key stakeholders

Stakeholders' engagement

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

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 2021, 12,537 shareholders were recorded in the Company's share register.

Substantial shareholders

The table below highlights IBL's shareholders who hold 5% or more of the ordinary shares as at 30 June 2021.

NAME OF SHAREHOLDER	PERCENTAGE HOLDING (%)
Espérance et Compagnie Limitée (now Esperance International Ltd)	10.8277
Société Portland	7.3799
Swan Life Ltd	6.7475

CORPORATE GOVERNANCE REPORT

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 normally declared in May and paid in June.

For the year under review, an interim dividend of Re.0.11 per share was paid to the shareholders of IBL in December 2020 and in July 2021, a final dividend of Re.0.33. Total dividends for the year amounted to Re.0.44 per share (2019-2020: Re.0.61), representing a drop of 27% from the previous year.

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 auditor also attends 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

Richard Arlove
Director

30 September 2021

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 2021

Throughout the year ended 30 June 2021 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

Richard Arlove
Director

30 September 2021

CERTIFICATE FROM COMPANY SECRETARY

30 JUNE 2021

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
Per IBL Management Ltd
Company Secretary

30 September 2021

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 organized in 9 business clusters: Agro & Energy, Building & Engineering, Commercial & Distribution, Financial Services, Hospitality & Services, Life & Technologies, Logistics, Seafood and Property. It holds substantial investments in several industries, such as real estate industry, tourism, banking, communication and biotechnologies and a chain of supermarkets.

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 name of the Directors of the Company as at 30 June 2021 were as follows:

DIRECTORS	ALTERNATE DIRECTOR
Jan F. Boullé (Chairman)	
Martine de Fleuriot de la Colinière	
Isabelle de Melo	
Richard Arlove	
Jean-Claude Béga	
Pierre Guénant	
Arnaud Lagesse	
Benoit Lagesse	
Hugues Lagesse	
Jean-Pierre Lagesse	
Thierry Lagesse	Stéphane Lagesse
Gilles Michel	
Maxime Rey	
Jean Ribet	

DIRECTORS' SERVICE CONTRACTS

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

CONTRACT OF SIGNIFICANCE

There exists no contact of significance 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 2021 were as follows:

DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST
	SHARES	%	%
Jan F. Boullé (Chairman)	-	-	2.3339
Martine de Fleuriot de la Colinière	-	-	-
Isabelle de Melo	-	-	-
Richard Arlove	116,521	0.0171	-
Jean-Claude Béga	-	-	-
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	-	-	-
Christine Marot	-	-	-
Dipak Chummun	-	-	-
Thierry Labat	24	-	-
Patrice Robert	16,541	0.0024	-

STATUTORY DISCLOSURES

S. 221 OF THE COMPANIES ACT 2001

TOTAL REMUNERATION AND BENEFITS RECEIVED, OR DUE AND RECEIVABLE BY THE EXECUTIVE DIRECTORS FOR YEAR ENDED 30 JUNE 2021:

The remuneration and benefits paid for the year ended 30 June 2021 to the Executive Directors – namely Mr. Arnaud Lagesse, Group CEO and Mr. Jean-Claude Béga - Group Head of Financial Services and Business Development, are made up of the following components: a basic salary representing an average of 59% of the remuneration, a performance bonus representing 12% of same and the difference of 29% comprised pension contributions and other benefits. The total amount paid of Rs. 29,470,000 is split between the Group CEO and the Group Head of Financial Services and Business Development, 63% and 37% respectively.

TOTAL REMUNERATION AND BENEFITS RECEIVED, OR DUE AND RECEIVABLE BY THE DIRECTORS FROM THE COMPANY AND ITS SUBSIDIARIES FOR THE YEAR ENDED 30 JUNE 2021:

DIRECTORS OF IBL LTD	FROM THE COMPANY (RS'000)	FROM THE SUBSIDIARIES (RS'000)
Executive	29,470	-
Non-Executive	11,626	-

DONATIONS FOR THE YEAR ENDED 30 JUNE 2021

	OTHERS (RS'000)	POLITICAL (RS'000)
THE COMPANY	2,076	-

AUDITORS' REMUNERATION

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

AUDIT SERVICES	RS'000
THE COMPANY	7,642

	DETAILS OF NON-AUDIT SERVICES	AUDIT FIRM	RS'000
The Company	Consultancy	Ernst & Young	2,016
	Consultancy	BDO & Co	46

Jan Boullé
Chairman of the Board of Directors

Richard Arlove
Director

30 September 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE PREPARATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Directors are responsible for preparing the Annual Report and the consolidated and separate 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 2021, the statements of profit or loss, statements of 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, the 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 reasons 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 consolidated and separate financial statements comply with the Companies Act 2001 and the Financial Reporting Act 2004. The 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 30 September 2021 and signed on its behalf by

Jan Boullé
Chairman of the Board of Directors

Richard Arlove
Director

30 September 2021

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of IBL Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 174 to 335 which comprise the consolidated and separate statements of financial position as at 30 June 2021, and the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 30 June 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

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

Key Audit Matters

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

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

Key Audit Matter	How the matter was addressed in the audit
Expected credit losses under IFRS 9 on non-current loan receivables and trade and other receivables IFRS 9 Financial Instruments requires an entity to incorporate reasonable and supportable information about past events, current conditions and forecasted future economic conditions into the assessment of expected credit losses ("ECL") for trade and other receivables as well as non-current loan receivables. Such an assessment should be based on information at the reporting date and adjusted for subsequent available information where applicable. The current year results were affected by expected credit losses of Rs 159.2 million and Rs 54.2 million at Group and Company level respectively. Included in these figures are: · ECL recognised for non-current loan receivables amounting to Rs 94.4 million and Rs 7.2 million for the Group and Company respectively · ECL reversal for trade and other receivables amounting to Rs 62.0 million at Group level and ECL amounting to Rs 7.0 million at Company level. ECLs are calculated both for individually significant receivables that are past due and collectively on a portfolio basis which require the use of statistical models incorporating loss data and assumptions on the recoverability of customers' outstanding balances. The calculation of ECLs is complex and involves several judgmental assumptions. As a result, ECL calculation on non-current loan receivables and trade and other receivables have been identified as a key audit matter. Refer to notes 2(B), 3, 17, 18 and 28(b) to the consolidated and separate financial statements for the accounting policies and the relevant disclosures.	**Procedures performed on non-current loan receivables and trade and other receivables at Group and Company level** **Trade and other receivables** We verified whether the ECL methodology developed by management for trade and other receivables are consistent with the requirements of IFRS 9. We tested management's key assumptions and judgments used in the models to determine the expected credit loss such as the loss rate by comparing these to historical data. We also ensured the completeness and internal consistency of data used and its mathematical accuracy by performing the following procedures: · We tested the age buckets of the balances due for the relevant periods; · We ensured proper allocation of receipts; · We agreed the balances at year end to source data, such as the general ledger; and · We verified that the formulae were properly applied throughout to obtain the expected credit loss. We stress tested the ECL provisions by applying an overlay of 10% on management's calculation to ascertain whether the resulting changes were not significantly different from the reported figures. We reviewed the working papers and deliverables of the component auditors relating to the calculation of expected credit losses under IFRS 9. We discussed with them the main assumptions used in the model, their audit findings and the conclusions reached thereon. **Non-current loan receivables** We assessed whether the counter parties have the ability to repay their amounts due based on their unrestricted cash position (i.e., readily available for use) at year end. Where ability to repay full amounts is not conclusive, the recovery period of the balances is determined based on the cash flow forecast of the borrower.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
	We tested the underlying assumptions and underlying information used in the cashflow forecasts to source data such as budgets to ensure that the amount due is fully recoverable over management's assessed recovery period. We ensured that expected credit losses are booked where there is a shortfall of the discounted cash flow against the amount receivable at year end. We reviewed the adequacy of the Group's and Company's disclosures as per notes 2(B), 3, 17, 18 and 28(b) in the consolidated and separate financial statements.
Valuation of unquoted investments Both the Group and the Company hold unquoted investments which are carried at fair value through other comprehensive income (OCI) and are classified as level 3 financial instruments in the fair value hierarchy. As at 30 June 2021, the fair value of these unquoted investments which comprised investments in subsidiaries, associates, joint ventures and other financial assets amounted to Rs 17.1 billion at the Company's separate financial statements level. At Group level, other financial assets at fair value through OCI classified as level 3 amounted to Rs 237.7 million as at 30 June 2021. These investments are valued using different methods ranging from price to earnings multiple, EBITDA multiple or discounted cash flow techniques. Valuation techniques for these underlying investments can be subjective in nature and require significant management estimates including financial forecasts, discount factors, growth rates and market multiples amongst others. The actual results could therefore differ from the estimates.	**Our procedures in relation to assessing the fair values of unquoted investments are described below:** We evaluated the design and implementation of the controls over the valuation process. We 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. Where cash flow techniques were used, we reviewed the value-in-use obtained from these cash flow forecasts and performed the following procedures: · We reviewed the Group's controls relating to the preparation and approval of cash flow forecasts; · We verified the mathematical accuracy of the cash flow model used and checked the internal inconsistency of the models; · We considered the accuracy of historical forecasts prepared by management in the prior year and compared the assumptions used in previous forecasts against actual realised amounts, thereby testing management's ability to make forecasts;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Management has disclosed the judgments and estimates used for the fair valuation of investments in note 3 to the separate financial statements. The disclosures relating to the valuation of unquoted investments have been provided in notes 11, 12, 13, 14 and 37 to the separate financial statements. 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.	· We assessed the reasonableness of the significant inputs and assumptions used in the discounted cash flow such as growth rates and discount rates, also considering illiquidity and size of holdings; · We challenged the key judgments by management with reference to historical trends, our own expectations based on our own industry knowledge and management's strategic plans; and · 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. An independent corroborative valuation on the unquoted investments was also performed to assess the reasonableness of values arrived at by management. We also assessed the appropriateness and completeness of the related disclosures in notes 3, 11, 12, 13, 14 and 37 of the separate financial statements.
Assessment of impairment of goodwill The carrying amount of goodwill recognised at Group level amounted to Rs 1.98 billion as at 30 June 2021 and an impairment loss of Rs 23.7 million was recognised during the year under review. A cash generating unit ("CGU") to which goodwill has been allocated must be tested for impairment at least annually in accordance with IAS 36 Impairment of Assets, by comparing the carrying amount of the CGU, including the goodwill, with the recoverable amount of the unit. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to sell, requires judgment on the part of management in both identifying and then valuing the relevant CGUs. The value-in-use calculations use discounted cash flow (DCF) projections based on financial budgets approved by the Board which involve judgment by management, such as determining the appropriate weighted average cost of capital (WACC), revenue growth rates, gross margins and operating margins. The on-going COVID-19 pandemic creates uncertainties around the projections of future income and growth rate assumptions and discount rates. More specifically, there is uncertainty around the duration of the pandemic and timing of the recovery of the economy.	**Our procedures in relation to assessing the impairment 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: · We reviewed the Group's controls relating to the preparation and approval of cash flow forecasts; · We verified the mathematical accuracy of the cash flow models used and checked the internal inconsistency of the models; · We assessed the reliability of cash flow forecasts through a review of actual performance compared to previous forecasts; · We assessed the reasonableness of the significant inputs and assumptions used in the discounted cash-flow such as growth rates and discount rates; and · We challenged the key judgments by management with reference to historical trends, our own expectations based on our industry knowledge and management's strategic plans given the continuing impact of COVID-19 on the economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
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 consolidated 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 assessment of goodwill was considered as a key audit matter.	We reviewed the working papers of the component auditors relating to the impairment of goodwill in material subsidiaries and discussed with them the rationale for the impairment methodology used, main assumptions, sensitivities of the impairment workings to these assumptions, their audit findings and their conclusions on the impairment in goodwill charged in these subsidiaries. We also assessed the appropriateness and completeness of the related disclosures in notes 3 and 6 of the consolidated financial statements.
Valuation of employee benefit liabilities The Group's and the Company's employee benefit liabilities comprise the obligations under the defined benefit plan and the Workers' Rights Act. The total present value of pension obligations under the defined benefit plan and the Workers' Rights Act are Rs 2.1 billion and Rs 730 million for the Group and the Company respectively and is therefore significant. The valuation of the pension obligations under IAS 19 Employee Benefits requires judgment in determining assumptions such as salary increases, mortality rates, withdrawal rates, discount rates and inflation level as disclosed in notes 3 and 24. The COVID-19 pandemic continues to impact these key assumptions, especially the discount rates and future long-term salary increases. Management has applied judgment in determining the employee benefit liabilities and has involved an actuary to assist with the IAS 19 provisions and disclosures. The setting of the assumptions identified above is complex and is an area of significant judgment whereby changes in any of these assumptions could lead to a material change in employee benefit liabilities within the separate and consolidated financial statements. A sensitivity analysis on the key assumptions is set out in note 24 of the separate and consolidated financial statements. Employee benefit liabilities are considered a key audit matter due to the significance of the balance to the financial statements as a whole and due to the judgment associated with determining the amount of provision.	**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 actuaries engaged by the Group to value the defined benefit pension obligations under IAS 19. We assessed the completeness and accuracy of disclosures in notes 3 and 24 of the financial statements in accordance with IAS 19. We reviewed the working papers of the component auditors relating to the valuation of employee benefit liabilities and discussed with them the main assumptions used, procedures performed to ensure completeness of the underlying membership data, their audit findings and the conclusions reached thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of insurance contract liabilities (gross outstanding claims) Insurance contract liabilities amount to Rs 1.46 billion and its valuation involves a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses a range of actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes. Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Further, some catastrophic events can be more complex to model using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. Given its complexity and significance, the valuation of insurance contract liabilities has been considered as a key audit matter. Refer to notes 3 and 9 to the consolidated and separate financial statements for the relevant disclosures.	**Our audit procedures in relation to the valuation of insurance contract liabilities (gross outstanding claims) are described below:** We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"). In particular, we tested the controls over the integrity of data utilised and the assumptions setting and governance processes used by management related to the valuation of insurance contract liabilities. 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; · 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; · We evaluated whether the actuary has the relevant expertise and experience in this field; and · We reviewed the adequacy of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Fair valuation of investment properties and land and buildings classified under property, plant and equipment The Group has investment properties of Rs 3.1 billion at 30 June 2021, representing 4.5% of total assets. As detailed in note 3 to the financial statements, these are measured at fair value, with the corresponding changes in fair values being recognised in the statement of profit or loss. The investment properties have been fair valued by independent external valuers and management's internal experts as detailed in note 5 to the financial statements. Significant judgments have been used by management's internal valuers and the independent external valuers in determining the fair value of investment properties. The fair value gains on the investment properties for the year ended 30 June 2021 amounted to Rs 120 million. The Group has property, plant and equipment of Rs 29.8 billion, of which Rs 21.2 billion are land and buildings. The Group has a policy of recording land and buildings at fair value and valuations are undertaken with sufficient regularity (i.e., between 1 to 4 years) by independent external valuers. The corresponding gains on revaluation reported in other comprehensive income amounts to Rs 350.7 million. Valuation of investment properties and land and buildings is a key audit matter due to the financial magnitude and judgement involved in the assessment of the fair value of these assets. The disclosures relating to the fair valuation of these assets are provided in notes 3, 4 and 5.	**Our procedures in relation to the valuation of investment properties and land and buildings classified under property, plant and equipment are described below:** We reviewed the working papers and deliverables of the component auditors and ensured that they had: · Obtained, read and understood the 2021 reports from the independent valuation specialists and management's internal experts; · Tested the mathematical accuracy of the reports and evaluated the valuation methodology used by the external property valuers and management's internal experts; · Assessed the qualifications, competence, capabilities and objectivity of management's internal experts and the independent external valuers; · 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' judgments. Other audit procedures also included discussing with component auditors how they challenged key assumptions adopted in the valuations and reasonableness of the assumptions used through performing the following: · Tests of data inputs against supporting documentation to ensure it is accurate, reliable and reasonable. · Discussions with the external property valuers and the internal management's expert, and challenging the key assumptions comprising the discount rates and capitalisation rates adopted in the valuations, available market selling prices, market rents and comparing them with historical rates and other available market data. · Performing a sensitivity analysis using the key assumptions used. · Ensuring the reasonableness of the inputs and assumptions used in the context of the on-going COVID-19 pandemic. · For those land and buildings not fair valued during the year, confirming that no significant events would have affected their last revalued amount and carrying value at year end. · Reviewing that proper disclosures have been made in respect of valuation of investment properties and land and buildings. We have reviewed the significant estimates and critical judgments and ensured that adequate disclosures as per IAS 40 Investment Property and IAS 16 Property, Plant and Equipment have been made in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Accounting of funds received from the Mauritius Investment Corporation ("MIC") During the financial year, one of the subsidiaries of the Group, Lux Island Resorts Ltd (LIR) has contracted redeemable convertible bonds amounting to Rs 920 million from the MIC, a wholly owned subsidiary of the Bank of Mauritius. One of the objectives of the MIC is to provide support to companies affected by the COVID-19 pandemic. The aim of these bonds was to ensure that LIR has the required working capital in the foreseeable future. Management mandated their legal experts to provide an opinion on certain aspects of the agreement between LIR and the MIC. It was concluded that the convertible bonds should be classified as an equity instrument. The accounting of the MIC funding obtained was a key area of audit focus owing to the complexity of the agreement and its impact on the accounting treatment and the magnitude of the amounts involved. Refer to notes 3 and 20(c) to the consolidated financial statements for the accounting policies and the relevant disclosures.	**Our procedures in relation to the accounting of funds included the following:** We reviewed the working papers of the component auditor relating to the issue of the bonds and ensured that they had: · Obtained and reviewed the terms of the subscription agreement entered between the Group and the MIC, as well as the legal opinion prepared by management's legal experts. · Involved their internal legal experts to assess the terms of the contract and the legal opinion received from management's legal experts. · Involved their accounting technical specialists to assess all legal facts in order to assess the proper classification between an equity instrument and a liability, as well as the measurement and relevant disclosures regarding the instrument. We engaged and discussed with our internal technical specialists to validate the accounting treatment of the bonds issued. We assessed the appropriateness and completeness of the related disclosures in notes 3 and 20(c) of the consolidated financial statements.

Other Information

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

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

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

Corporate Governance Report

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBL LTD

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

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

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

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

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

Use of our report

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

Date: 30 September 2021

Roger de Chazal

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

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

Jan Boullé
Chairman of the Board of Directors

Richard Arlove
Director

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

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

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

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

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

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

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

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

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

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

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

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

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

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

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

THE COMPANY

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

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

		THE GROUP		THE COMPANY	
		2021	2020	**2021**	2020
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
OPERATING ACTIVITIES					
Profit/(loss) before tax from continuing operations		**292,908**	(1,198,747)	**43,055**	(84,058)
Loss before tax from discontinued operations		**(309,930)**	(90,060)	**-**	-
(Loss)/profit before tax		**(17,022)**	(1,288,807)	**43,055**	(84,058)
Adjustments to reconcile (loss)/profit before tax to net cash flows:					
Share of profits from associates	12(a)	**(731,598)**	(539,050)	**-**	-
Share of profits from joint ventures	13	**(25,431)**	(29,385)	**-**	-
Depreciation and impairment of property, plant and equipment	28(a)	**1,627,502**	1,621,744	**62,335**	60,220
Assets written off		**15,649**	156,095	**4,347**	-
Profit on disposal of property, plant and equipment, intangible assets and investment properties	30	**(12,990)**	(13,131)	**(614)**	235
Loss on disposal of held for sale assets	33	**60,888**	-	**-**	-
Depreciation on right of use assets	28(a)	**580,284**	489,569	**22,716**	20,401
Amortisation of intangible assets	28(a)	**92,132**	116,892	**14,138**	15,874
Amortisation of grants	27	**(4,801)**	(5,946)	**-**	-
Impairment of intangible assets	6	**25,837**	852,880	**-**	-
Impairment of right of use assets	16	**70,111**	-	**7,490**	-
Impairment of property, plant and equipment		**13,249**	-	**-**	-
Profit on disposal of investments in other financial assets		**-**	(11,604)	**-**	-
Gain on disposal of associates		**(59,724)**	-	**-**	-
Impairment of held for sale assets	33	**86,452**	-	**-**	-
Impairment loss on associates and joint ventures		**51,119**	231,602	**-**	-
Net loss on debt instruments at FVTPL		**(85,667)**	16,845	**(3,500)**	-
Reassessment of leases	16(a), (b)	**(82,106)**	-	**-**	-
Termination of lease	16(b)	**(17,776)**	-	**(7,717)**	-
Exchange differences		**(166,247)**	121,431	**(14,586)**	11,226
Dividend income	29(d)	**(6,020)**	(22,417)	**(725,400)**	(601,904)
Finance income	31	**(84,831)**	(48,644)	**(13,839)**	(56,951)
Finance costs	32	**1,227,629**	1,275,461	**360,997**	361,982
Movement in employee benefit liabilities		**(2,667)**	(33,367)	**(58,919)**	(346,335)
Fair value movement on consumable biological assets	8	**(10,443)**	(1,199)	**-**	-
Fair value of investment properties	5	**(120,470)**	(20,502)	**-**	-
Expected credit losses - financial guarantee	28(b)	**125,309**	-	**40,000**	-
Expected credit losses - others	28(b)	**33,916**	284,716	**14,152**	335,422
Net general insurance fund		**(49,175)**	(88,294)	**-**	-
		2,533,109	3,064,889	**(255,345)**	(283,888)
Working capital adjustments:					
Movement in consumable biological assets		**1,792**	5,087	**-**	-
Movement in inventories		**(736,995)**	(292,430)	**(226,645)**	(87,437)
Movement in contract assets		**(201,113)**	109,931	**-**	-
Movement in trade and other receivables		**541,906**	558,711	**(491,782)**	277,147
Movement in gross outstanding claims		**(23,655)**	(151,053)	**-**	-
Movement in non-current loan receivables		**(142,330)**	126,138	**(7,195)**	(1,197,987)
Movement in trade and other payables		**1,083,063**	767,844	**(200,694)**	560,681
Movement in contract liabilities		**122,023**	162,548	**15,737**	-
CASH GENERATED FROM/(USED IN) OPERATIONS		**3,177,800**	4,351,665	**(1,165,924)**	(731,484)
Interest paid		**(1,160,414)**	(1,114,787)	**(328,153)**	(361,982)
Tax paid	26(a)	**(220,787)**	(461,793)	**(1,624)**	(378)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		**1,796,599**	2,775,085	**(1,495,701)**	(1,093,844)

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

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

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

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

1. CORPORATE INFORMATION

IBL Ltd (the "Company") is a public company incorporated in Mauritius and its main activities are that of investment holding and trading in consumables and healthcare products. Its registered office and principal place of business is situated on the 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 Company is listed on the official market of the Stock Exchange of Mauritius and has a global presence in more than 20 countries.

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

New and revised IFRSs applied on the financial statements

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

IAS 1 Presentation of Financial Statements - Amendments regarding the definition of material

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material

IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 3 Business Combinations - Amendments regarding definition of a business

IFRS 7 Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 9 Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 16 Leases - Amendments to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

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

Amendments to IFRS 16 COVID-19 Related Rent Concessions

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

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

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

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

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

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

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

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

IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023)

IAS 1 Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective 1 January 2023)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 1 January 2023)

IAS 12 Income Taxes - Amendments regarding deferred tax related to Assets and Liabilities from a single Transaction (effective 1 January 2023)

IAS 16 Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use (effective 1 January 2022)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous or loss making (effective 1 January 2022)

IAS 39 Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IAS 41 Agriculture - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (taxation in fair value measurements) (effective 1 January 2022)

IFRS 3 Business Combinations - Amendments updating a reference to the Conceptual Framework (effective 1 January 2022)

IFRS 1 First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter) (effective 1 January 2022)

IFRS 4 Insurance Contracts - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 7 Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

IFRS 16 Leases - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 16 Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 April 2021)

IFRS 17 Insurance Contracts - Original issue (effective 1 January 2023)

IFRS 17 Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023) (effective 1 January 2023)

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

Conceptual framework

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

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

2(B). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

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

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

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

(b) Basis of consolidation

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

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

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

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

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

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

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

(b) Basis of consolidation (Continued)

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

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

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

(c) Business combinations

Acquisition method

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

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

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

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

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

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

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

(c) Business combinations (Continued)

Acquisition method (Continued)

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

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

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

Business combination under common control

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

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

(d) Investment in subsidiaries

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

(e) Investment in associates

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

Financial statements of the Company

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

Financial statements of the Group

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

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

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

(e) Investment in associates (Continued)

Equity method of accounting

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

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

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

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

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

(f) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

(f) Foreign currency translation (Continued)

Group companies

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

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

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

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

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

(g) Property, plant and equipment

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

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

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

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

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

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

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

(g) Property, plant and equipment (Continued)

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

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

Land and assets in progress are not depreciated.

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

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

(h) Investment property

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

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

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

(i) Intangible assets

(i) Goodwill

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

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

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

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

(i) Intangible assets (Continued)

(i) Goodwill (Continued)

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

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

(ii) Other intangible assets

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

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

Land conversion rights are in relation to the reform of the Sugar Industry in the years 2000, which necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. To assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (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.

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

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

(j) Impairment of non-financial assets excluding goodwill

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

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

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

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

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

(k) Financial instruments

(i) Financial assets

Classification of financial assets

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

Initial recognition and measurement

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

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

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

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

(k) Financial instruments (Continued)

(i) Financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

Amortised cost and effective interest method

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

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

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

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

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

(k) Financial instruments (Continued)

(i) Financial assets (Continued)

Subsequent measurement (Continued)

Amortised cost and effective interest method (Continued)

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

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

Financial assets at fair value through OCI (debt instruments)

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A financial asset is held for trading if:

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

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

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

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

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

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

(k) Financial instruments (Continued)

(i) Financial Assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

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

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

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

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

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

Derivatives financial instruments

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

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

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

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

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

(k) Financial instruments (Continued)

(i) Financial Assets (Continued)

Subsequent measurement (Continued)

Foreign exchange gains and losses

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

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

Impairment of financial assets

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

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

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

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

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

(i) Significant increase in credit risk

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

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

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

(k) Financial instruments (Continued)

(i) Financial Assets (Continued)

(ii) Definition of default

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

(iii) Write off policy

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

(iv) Recognition of expected credit losses

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

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

(k) Financial instruments (Continued)

(ii) Financial Liabilities (Continued)

Loans and borrowings

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

(iii) Derecognition of financial assets and financial liabilities

Derecognition of financial assets

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

Derecognition of financial liabilities

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

(iv) Offsetting financial instruments

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

(v) Client monies

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

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

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

(l) Cash and cash equivalents

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

(m) Inventories

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

(n) Provisions

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

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

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

(o) Leases

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

Group as a lessee

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

Right-of-use assets

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

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

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

The right of use assets are also subject to impairment.

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

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

(o) Leases (Continued)

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

(p) Taxation

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

Current income tax

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

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

Deferred tax

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

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

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

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

(p) Taxation (Continued)

Deferred tax (Continued)

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

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

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

Corporate Social Responsibility ("CSR")

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

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

Value added tax ("VAT")

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

(q) Employee benefit and related liabilities

Defined contribution schemes

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

Defined benefit schemes

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

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

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

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

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

(q) Employee benefit and related liabilities (Continued)

Defined benefit schemes (Continued)

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

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

Other retirement benefits

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

State plan

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

(r) Revenue recognition

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

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

Building and Engineering

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

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

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

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

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

(r) Revenue recognition (Continued)

Building and Engineering (Continued)

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

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

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

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

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

Commercial and Distribution

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

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

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

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

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

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

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

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

(r) Revenue recognition (Continued)

Commercial and Distribution (Continued)

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

Logistics

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

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

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

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

Seafood

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

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

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

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

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

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

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

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

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

(r) Revenue recognition (Continued)

Financial Services

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

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

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

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

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

The main streams of revenue are as follows:

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

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

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

(r) Revenue recognition (Continued)

Life and Technologies

Revenue can be segregated in 2 parts:

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

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

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

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

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

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

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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

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

(s) Biological assets

(i) Bearer biological assets

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

(ii) Consumable biological assets

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

(t) Related parties

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

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

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

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

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

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

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

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

(v) Interest in joint ventures

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

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

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

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

(v) Interest in joint ventures (Continued)

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

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

(w) Borrowing costs

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

(x) Hedge accounting

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

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

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

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

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

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

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

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

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

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

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

(y) Share based payment

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

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

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

(z) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

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

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

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

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

The Group and the Company applied for the Government Wage Assistance Scheme ('WAS') during the year due. The WAS is an economic measure by the Government of Mauritius to provide a wage subsidy to employers as a response to the COVID-19 pandemic and to ensure that all employees are duly paid their salary. Grants in respect of wages obtained under the wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate. A COVID-19 levy arises in the current year (and possibly in future periods should the entity achieve chargeable income) and is recognised as a levy payable to the tax authorities.

(aa) Fair value measurement

The Group and the Company measure its financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

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

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

(aa) Fair value measurement (Continued)

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group and the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ab) Comparative figures

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

(ac) General insurance fund

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on 1/24th 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.

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

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

(ag) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

(ah) Dividend

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

(ai) WIIV Loyalty Programme

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

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

(aj) Convertible bonds

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

(ak) Commercial income

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Going concern assessment

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

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

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

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

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

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

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

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

The management of both Lux Island Resorts ('LIR') and BlueLife Ltd ('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 920 million funding from the MIC and Rs 740 million has been disbursed in the current year and the remaining Rs 170 million is expected by November 2021.

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Assets held for sale and discontinued operations

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

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

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

Leases

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

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

Property lease classification - Group as lessor

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

Determination of functional currency of the group entities

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Classification as subsidiaries

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

In making their judgement, the Directors and management considered the Group's absolute size of holding and the relative size and dispersion of the shareholdings owned by the other investors. After assessment, the Directors and management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities and therefore has control over these entities.

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

Impairment of assets

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

Impairment of goodwill

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

Deferred tax assets

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

Employee benefit liabilities

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Property valuation

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

Valuation of biological assets

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

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

Fair value of unquoted investments

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

Variable consideration for sales returns

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

Business model assessment

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

Provision for expected credit losses

Credit risk

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

Loss allowance on trade receivables

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Provision for expected credit losses (Continued)

Loss allowance on other financial assets at amortised cost

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

Loss allowance on loans and advances to related parties

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

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

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

Insurance contracts

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

These estimates are described below.

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimates and assumptions (Continued)

Recoverable amount on insurance and other receivables

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

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 16. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Points earned under the WIIV loyalty programme

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

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

MIC - Convertible bonds

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Historical cost of revalued land and buildings:

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

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

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

Other freehold land of the Group valued by independent valuer 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 Group's policy is to revalue its property every 1-4 years unless there is evidence that the fair value of the assets differs materially from the carrying amount.

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

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

The capitalisation rate of specific borrowing is 4.15%.

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

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

THE GROUP	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2021				
Land and buildings	**–**	**–**	**21,152,325**	**21,152,325**
2020				
Land and buildings	–	–	21,532,799	21,532,799
THE COMPANY				
2021				
Land and buildings	**–**	**–**	**468,392**	**468,392**
2020				
Land and buildings	–	–	445,450	445,450

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

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

5. INVESTMENT PROPERTIES

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

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

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

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

5. INVESTMENT PROPERTIES (CONTINUED)

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

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

(b) During the reporting year:

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

(ii) three subsidiaries rented land and buildings to related parties **Rs 111,197,975** (2020: Rs 86,483,000), which was previously classifed as investment properties and transferred to property, plant and equipment.

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

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

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

Level 3 reconciliation:

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

(e) During the year, one of the 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 2020 continued to be held for sale as at 30 June 2021 (refer to Note 21).

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

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

6. INTANGIBLE ASSETS

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
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
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
At 1 July 2020	**2,997,342**	**60,182**	**718,658**	**249,077**	**4,025,259**
Transfer to right of use asset (Notes (b) and 16)	**–**	**(58,050)**	**–**	**–**	**(58,050)**
Additions	**243,103**	**–**	**74,571**	**8,492**	**326,166**
Disposals	**–**	**–**	**(1,090)**	**–**	**(1,090)**
Write offs	**–**	**–**	**(64)**	**–**	**(64)**
Transfer to property, plant and equipment (Notes (a) and 4)	**–**	**–**	**(110)**	**–**	**(110)**
Transfer to assets classified as held for sale (Note 21)	**–**	**–**	**(4,774)**	**–**	**(4,774)**
Opening balance of subsidiaries acquired (Note 38a)	**11,065**	**–**	**217**	**–**	**11,282**
Disposal of subsidiaries (Note 38b)	**–**	**–**	**(5,374)**	**–**	**(5,374)**
Assets in progress	**–**	**–**	**24,135**	**–**	**24,135**
Exchange differences	**102,500**	**737**	**3,736**	**487**	**107,460**
At 30 June 2021	**3,354,010**	**2,869**	**809,905**	**258,056**	**4,424,840**

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

6. INTANGIBLE ASSETS (CONTINUED)

THE GROUP	Goodwill	Leasehold rights	Computer software	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
AMORTISATION/IMPAIRMENT					
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	30,763	1,856,422
At 1 July 2020	**1,354,887**	**2,869**	**467,903**	**30,763**	**1,856,422**
Charge for the year	**–**	**–**	**91,436**	**587**	**92,023**
Disposals	**–**	**–**	**(933)**	**–**	**(933)**
Write offs	**–**	**–**	**(9)**	**–**	**(9)**
Impairment loss	**23,731**	**–**	**–**	**2,106**	**25,837**
Reclassification	**(179)**	**–**	**179**	**–**	**–**
Transfer to property, plant and equipment (Notes (a) and 4)	**–**	**–**	**(110)**	**–**	**(110)**
Transfer – assets classified as held for sale (Note 21)	**–**	**–**	**(4,389)**	**–**	**(4,389)**
Disposal of subsidiaries (Note 38b)	**–**	**–**	**(3,934)**	**–**	**(3,934)**
Exchange differences	**156**	**–**	**3,376**	**176**	**3,708**
At 30 June 2021	**1,378,595**	**2,869**	**553,519**	**33,633**	**1,968,615**
NET BOOK VALUE					
At 30 June 2021	**1,975,415**	**–**	**256,386**	**224,423**	**2,456,225**
At 30 June 2020	1,642,455	57,313	250,755	218,314	2,168,837

(a) During the year ended 30 June 2021, one subsidiary made a reclassification from intangible assets (computer software) to property, plant and equipment (computer and security equipment). The carrying amount of the reclassification amounted to Rs nil (2020: Rs 301,000).

(b) During the year ended 30 June 2021, the leasehold rights in respect of two subsidiaries have been transferred as right of use assets under IFRS 16 (Refer to Note 16).

(c) The assets under finance leases have been transferred to right of use assets under IFRS 16 (see Note 16) during the year ended 30 June 2020.

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

6. INTANGIBLE ASSETS (CONTINUED)

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

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

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

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

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

6. INTANGIBLE ASSETS (CONTINUED)

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

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

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

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

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

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

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

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

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

6. INTANGIBLE ASSETS (CONTINUED)

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

Commercial & Distribution

Camp Investment Company Limited

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

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

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

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

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

Hospitality & Services

Lux Island Resorts (LIR)

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

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

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

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

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

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

6. INTANGIBLE ASSETS (CONTINUED)

Life & Technologies

IBL Life Ltd

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

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

Property

Bluelife Limited & Southern Investment Company Ltd

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

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

Financial Services

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

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

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

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

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

7. DEFERRED TAXATION

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

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

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

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

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

7. DEFERRED TAXATION (CONTINUED)

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

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

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

8. CONSUMABLE BIOLOGICAL ASSETS

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

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

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

	2021	2020
Standing cane		
Expected area to harvest (ha)	**65**	96
Estimated yields (%)	**10.2**	10.1
Estimated price of sugar - Rs (per ton)	**19,162**	16,076
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)	**56**	50
Discount factor (%)	**8.8**	9.0

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value
Standing cane	Discounted cash flows	Cane yield per Ha: 34 ton/ha (2020: 37 ton/ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 72,833 (2020: Rs 268,882).
		Price of sugar: Rs 19,162/ton (2020: Rs 16,076/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 364,164 (2020: Rs 497,431).
		WACC 10.15% (2020: 12.48%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 18,342 (2020: Rs 3,604).
Plants	Discounted cash flows	Average price of plants: Rs 185 (2020: Rs 206)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 2,079,518 (2020: Rs2,073,093).
		Mortality rate 3% (2020: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 3,785,488 (2020: Rs 2,073,093).
		WACC 18% (2020: 20%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 334,663 (2020: Rs 266,438).
Vegetables	Discounted cash flows	Discount factor 8.8% (2020: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 168,145 (2020: Rs 33,715).
		Price of vegetables: Rs 12,000 - Rs 23,000 (2020: Rs 15,000 – Rs 19,000)	5% increase/(decrease) in price of vegetables would result in increase/(decrease) in fair value by Rs 1,210,931 (2020: Rs 955,845).

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

9. GROSS OUTSTANDING CLAIMS AND REINSURANCE ASSETS

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

10(a). GENERAL INSURANCE FUND AND REINSURANCE ASSETS

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

10(b). NET CLAIMS INCURRED

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

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

11. INVESTMENT IN SUBSIDIARIES

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

The additions have been financed as follows:

	2021	2020
	Rs'000	Rs'000
Cash	**451,579**	51,381
Issue of shares	**19,962**	–
Recapitalisation of loans	**205,092**	1,298,348
	676,633	1,349,729

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

(ii) The investments in subsidiaries are measured at FVTOCI at year ended 30 June 2021 and are not subject to impairment requirements.

(iii) During year ended 30 June 2021 and 30 June 2020, the Group converted several non-current receivable balances from related parties (refer to Note 17) into investment balances.

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

(i) Companies are inactive
(ii) Companies are inactive and in process of de-registration or in the process of liquidation
(iii) Increase in percentage holding
(iv) Investments disposed
(v) Change in percentage holding without loss of control
(vi) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2021
(vii) Acquired during the year
(viii) Recapitalisation
(ix) Companies incorporated during the year
(x) Company under voluntary administration
(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (continued)	Country of incorporation	Type of shares	Principal activity	2021 % held		2020 % held	
				Direct	Indirect	Direct	Indirect
CIDP Biotech India Private Limited	India	Ordinary	Clinical testing	–	89.10	–	89.10
CIDP International	Mauritius	Ordinary	Clinical research and investment	–	89.10	–	89.10
CIDP Biotechnology SRL	Romania	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	–	89.10
CIDP Brasil Ltd	Mauritius	Ordinary	Clinical research and investment	–	90.00	–	90.00
CIDP Do Brasil Pesquisas Clinicas Ltda	Brasil	Ordinary	Clinical testing of pharmaceutical and cosmetic products	–	89.10	–	89.10
Centre de Phytotherapie et de 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 named Equity Aviation Indian Ocean Limited)	Mauritius	Ordinary	Ground handling	100.00	–	100.00	–
Equity Aviation Comores Sarl	Mauritius	Ordinary	Ground handling	–	100.00	–	100.00
G2A Camas Ltd	Mauritius	Ordinary	Training	–	50.00	–	50.00
IBL Aviation Comores SARL (i)	Comoros	Ordinary	Tourism and Travel	–	100.00	–	100.00
IBL Cargo Village Ltd	Mauritius	Ordinary	Tourism and Travel	100.00	–	100.00	–
IBL Comores SARL	Comoros	Ordinary	Tourism	100.00	–	100.00	–
IBL Comores GSA Anjouan SARL	Comoros	Ordinary	Tourism	–	100.00	–	100.00
IBL Fishing Company Ltd	Mauritius	Ordinary	Shipping	100.00	–	100.00	–
IBL Regional Development Limited	Mauritius	Ordinary	Investment	100.00	–	100.00	–
Arcadia Travel Madagascar	Madagascar	Ordinary	Travel agency	–	100.00	–	100.00
Arcadia Travel Comores SARL	Comoros	Ordinary	Travel agency	–	100.00	–	100.00
Arcadia Travel Limited (formerly called IBL Travel Limited)	Mauritius	Ordinary	Travel agency	100.00	–	100.00	–
IBL Shipping Company Ltd (formerly: Indian Ocean Logistics Limited)	Mauritius	Ordinary	Import-Export	100.00	–	100.00	–
I World Ltd	Mauritius	Ordinary	Commerce	100.00	–	100.00	–
Ireland Fraser (Madagascar) SARL(ii)	Madagascar	Ordinary	Commerce	–	100.00	–	100.00
Logidis Limited	Mauritius	Ordinary	Warehousing	100.00	–	100.00	–
Mad 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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

(i) Companies are inactive
(ii) Companies are inactive and in process of de-registration or in the process of liquidation
(iii) Increase in percentage holding
(iv) Investments disposed
(v) Change in percentage holding without loss of control
(vi) Transferred from investment in associate to investment in subsidiary following additional investment made during the year ended 30 June 2021
(vii) Acquired during the year
(viii) Recapitalisation
(ix) Companies incorporated during the year
(x) Company under voluntary administration
(xi) Transferred from investment in joint ventures to investment in subsidiary following additional investment made during the year ended 30 June 2021

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

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

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

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Lux* Island Resorts Ltd

	2021	2020
Summarised statements of financial position:	**Rs'000**	Rs'000
Current assets	**774,970**	870,496
Non-current assets	**15,792,745**	14,200,317
Current liabilities	**3,138,779**	4,246,886
Non-current liabilities	**8,276,286**	5,583,704
Equity attributable to owners of the Company	**2,203,272**	3,142,700
Non-controlling interests	**2,949,378**	2,422,556

	2021	2020
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**2,301,629**	4,847,130
Expenses	**(3,359,390)**	(5,725,376)
Loss for the year	**(1,057,761)**	(878,246)
Loss for the year:		
- Loss attributable to owners of the Company	**(597,318)**	(495,946)
- Loss attributable to the non-controlling interests	**(460,443)**	(382,300)
	(1,057,761)	(878,246)
Other comprehensive (loss)/income for the year:		
- Other comprehensive (loss)/income attributable to owners of the Company	**(53,062)**	185,873
- Other comprehensive (loss)/income attributable to the non-controlling interests	**(40,903)**	250,590
	(93,965)	436,463
Total comprehensive income for the year:		
- Total comprehensive loss attributable to owners of the Company	**(650,380)**	(310,073)
- Total comprehensive (loss)/income attributable to the non-controlling interests	**(501,346)**	(131,710)
	(1,151,726)	(441,783)
Summarised statements of cash flows:		
Net cash inflow from operating activities	**88,025**	555,988
Net cash outflow from investing activities	**(1,374,708)**	(923,908)
Net cash inflow from financing activities	**1,424,980**	287,023
Net cash inflow/(outflow) for the year	**138,297**	(80,897)

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Camp Investment Company Limited

	2021	2020
Summarised statements of financial position:	**Rs'000**	Rs'000
Current assets	**2,321,762**	1,804,304
Non-current assets	**5,446,454**	5,397,041
Current liabilities	**1,522,063**	1,319,991
Non-current liabilities	**1,148,186**	1,461,975
Equity attributable to owners of the Company	**1,248,316**	1,024,633
Non-controlling interests	**3,849,651**	3,394,746

	2021	2020
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**7,927,039**	7,572,564
Expenses	**(7,361,947)**	(7,081,838)
Profit for the year	**565,092**	490,726
Profit for the year:		
- Profit attributable to owners of the Company	**141,157**	77,364
- Profit attributable to the non-controlling interests	**423,935**	413,362
	565,092	490,726
Other comprehensive income/(loss) for the year:		
- Other comprehensive income/(loss) attributable to owners of the Company	**116,966**	(184,399)
- Other comprehensive income/(loss) attributable to the non-controlling interests	**243,265**	(57,174)
	360,231	(241,573)
Total comprehensive income/(loss) for the year:		
- Total comprehensive income/(loss) attributable to owners of the Company	**258,123**	(107,035)
- Total comprehensive income/(loss) attributable to the non-controlling interests	**667,200**	356,188
	925,323	249,153
Summarised statements of cash flows:		
Net cash inflow from operating activities	**999,649**	802,098
Net cash outflow from investing activities	**(294,812)**	(509,803)
Net cash outflow from financing activities	**(380,970)**	(287,167)
Net cash inflow for the year	**323,867**	5,128

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

United Basalt Products Ltd

	2021	2020
Summarised statements of financial position:	**Rs'000**	Rs'000
Current assets	**1,475,191**	1,367,377
Non-current assets	**4,041,050**	4,159,780
Current liabilities	**647,389**	790,660
Non-current liabilities	**1,330,534**	1,460,126
Equity attributable to owners of the Company	**1,030,398**	1,191,781
Non-controlling interests	**2,507,920**	2,241,017

	2021	2020
Summarised statements of profit or loss:	**Rs'000**	Rs'000
Revenue from contracts with customers	**3,449,282**	2,990,928
Expenses	**(3,234,456)**	(2,958,878)
Profit for the year	**214,826**	32,050
Profit for the year:		
- Profit attributable to owners of the Company	**64,794**	9,386
- Profit attributable to the non-controlling interests	**150,032**	22,664
	214,826	32,050
Other comprehensive income for the year:		
- Other comprehensive income attributable to owners of the Company	**66,619**	48,545
- Other comprehensive income attributable to the non-controlling interests	**136,072**	97,060
	202,691	145,605
Total comprehensive income for the year:		
- Total comprehensive income attributable to owners of the Company	**131,413**	57,931
- Total comprehensive income attributable to the non-controlling interests	**286,104**	119,724
	417,517	177,655
Summarised statements of cash flows:		
Net cash inflow from operating activities	**505,627**	340,348
Net cash outflow from investing activities	**(134,710)**	(241,303)
Net cash(outflow)/ inflow from financing activities	**(186,954)**	43,582
Net cash inflow for the year	**183,963**	142,627

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Chantier Naval de l'Océan Indien Ltd

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

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

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

11. INVESTMENT IN SUBSIDIARIES (CONTINUED)

BlueLife Limited

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

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

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

12. INVESTMENTS IN ASSOCIATES

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

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

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

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

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

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

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

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

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

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

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

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(e) Details of associates

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

(i) Companies are inactive

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

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

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

(v) Investments acquired during the year

(vi) Disposed during year in review

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

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

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

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

(g) Details of significant associates

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

AfrAsia Bank Limited

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

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

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

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

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g) Details of significant associates (Continued)

Alteo Ltd

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

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

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

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

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g) Details of significant associates (Continued)

Princes Tuna (Mauritius) Ltd

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

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

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

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

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

13. INVESTMENTS IN JOINT VENTURES

Details of joint ventures:

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

(i) Amalgamated with its holding company

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

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

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

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

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

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

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

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

14. OTHER FINANCIAL ASSETS

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

Analysed as follows:	**2021**	2020
	Rs'000	Rs'000
Current	**195,714**	179,643
Non-current	**1,002,060**	729,273
	1,197,774	908,916
Analysed as follows:		
Listed	**488,588**	255,151
Unquoted	**709,186**	653,765
	1,197,774	908,916

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

Analysed as follows:	**2021**	2020
	Rs'000	Rs'000
Non-current	**102,300**	122,369
Analysed as follows:		
Listed	**32,805**	28,499
Unquoted	**69,495**	93,870
	102,300	122,369

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

14. OTHER FINANCIAL ASSETS (CONTINUED)

(i) Impairment of financial assets:

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

15. INVENTORIES

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

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

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

16. RIGHT OF USE ASSETS AND LEASE LIABILITIES

(a) Right of use assets

Group as a lessee

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

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

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

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

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

(a) Right of use assets (Continued)

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

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

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

(b) Lease liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

Group as a lessor

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

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

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

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

17. NON-CURRENT LOAN RECEIVABLES

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

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

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

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

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

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

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

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

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

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

18. TRADE AND OTHER RECEIVABLES

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

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

(a) Trade receivables

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

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

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

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

Building & Engineering

The activities within this cluster 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, electrical, parts, storage and furniture). The entities have recognised a loss allowance of 100% against receivables over default period (except where repayment plan has been agreed or debts have been recovered) where historical experience has indicated that these receivables are generally not recoverable.

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

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Commercial & Distribution

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

Logistics

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

Seafood

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

Financial Services

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

Property

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

Hospitality & Services

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

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

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

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

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

THE GROUP

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

THE COMPANY

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

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

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

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

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

THE GROUP

At 30 June 2021	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Expected total gross carrying amount at default	**835,739**	**2,534,240**	**686,866**	**492,991**	**63,089**	**280,582**	**84,898**	**165,038**	**214,868**	**(1,278,639)**	**4,079,672**
Lifetime ECL	**(128,244)**	**(391,488)**	**(55,069)**	**(177,007)**	**(97)**	**(18,891)**	**(26,084)**	**–**	**(8,884)**	**59,357**	**(746,407)**
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)

THE COMPANY

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

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

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

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

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

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

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

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

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

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

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

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

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

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

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

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

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

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

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

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

19. DIVIDENDS

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

20. (a) STATED CAPITAL

The Group and the Company

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

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

(b) RESTRICTED REDEEMABLE SHARES

The Group and the Company

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

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

(c) CONVERTIBLE BONDS

The Group

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

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

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

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

- The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds.

- The conversion has been pre-determined prior to the subscription.

- An interest rate of 3% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.

- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date.

- All outstanding bonds will be converted into ordinary shares at a pre-agreed formula and price on maturity date.

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

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

21. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

(a) **PL Resort Ltd**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22. BORROWINGS

(a) The borrowings are repayable as follows:

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

(b) Secured bank overdraft and bank loans

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

Bank covenants

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

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

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

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

22. BORROWINGS (CONTINUED)

(c) Bonds and Multicurrency notes

Bonds

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

Multicurrency notes

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

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

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

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

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

(d) The effective interest rate on borrowings are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Secured borrowings	**3.00% - 7.70%**	0.15% - 9.25%	**4.50%**	3.85% - 4.50%
	PLR + (6.10% - 7.30%)	PLR + (0% - 5.75%)	**-**	-
	LIBOR + (2.00% - 4.00%)	LIBOR + (1.25% - 5.00%)	**-**	-
	EURIBOR + (1.22% - 4.50%)	EURIBOR + (3.00% - 4.50%)	**-**	-
	PLR - (0.25% - 1.3%)	EURIBOR - 3.75%	**-**	-
	PLR + (0.25% - 5.00%)	Repo +1.75%	**-**	-
	-	SBM PLR - 0.85%	**-**	-
Unsecured borrowings	**3.40% - 7.00%**	1% - 11.25%	**4.00% - 6.85%**	1.00% - 4.75%
	EURIBOR 2.05%	LIBOR + (1% - 2.75%)	**EURIBOR + 2.05%**	LIBOR + (1% - 2.75%)
	LIBOR 2.50%	EURIBOR + (1% - 2.75%)	**LIBOR + 2.50%**	EURIBOR + (1% - 2.75%)
	-	PLR - 0.25%	**-**	-
Bonds and Notes	**4.00% - 5.50%**	4.50% -6.48%	**4.00% - 5.50%**	4.50% - 6.48%
	Repo + (0.75% - 2.05%)	Repo + (0.75%-1.65%)	**Repo + (0.75% - 2.05%)**	Repo + (0.75% - 1.65%)

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

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

22. BORROWINGS (CONTINUED)

(e) Reconciliation of liabilities arising from financing activities

The table details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in cash flows from financing activities in the statement of cash flows. In accordance with the transitional guidance, no comparatives have been presented.

THE GROUP

				Non-cash changes							
	At 1 July	Transferred to lease liabilities IFRS 16	Financing cash flows	Acquisition of subsidiaries	Disposal of subsidiaries	Cash flow hedge	Leases	Exchange differences	Held for sale	Others	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
		(Note 16)	(Note (v))	(Note 38(a))	(Note (i) and 38(b))	(Note (ii) and 37(a))			(Notes (iii) and 21)	(Note (iv))	
2021											
Bank loans	9,385,411	–	802,825	–	(75,851)	352,843	–	145,673	16,039	16,749	**10,643,689**
Other borrowings	244,329	–	(42,487)	–	–	–	–	1,439	(162,925)	18,617	**58,973**
Bonds and debentures	8,296,196	–	2,706,973	–	–	–	–	1,835	–	36,038	**11,041,042**
Dividend payable	353,837	–	(670,096)	–	–	–	–	–	–	637,073	**320,814**
Lease liabilities	4,652,050	–	(430,149)	4,371	(309,236)	–	188,732	479,406	–	–	**4,585,174**
	22,931,823	–	2,367,066	4,371	(385,087)	352,843	188,732	628,353	(146,886)	708,477	**26,649,692**
2020											
Bank loans	8,764,835	–	413,025	–	–	168,082	–	152,678	(113,209)	–	9,385,411
Other borrowings	275,086	–	(31,242)	–	–	–	–	485	–	–	244,329
Bonds and debentures	5,094,906	–	2,945,628	–	–	–	–	1,464	–	254,198	8,296,196
Dividend payable	74,088	–	(463,312)	–	–	–	–	–	–	743,061	353,837
Lease liabilities	–	284,012	(415,700)	–	–	–	4,526,406	257,332	–	–	4,652,050
Finance lease	284,012	(284,012)	–	–	–	–	–	–	–	–	–
	14,492,927	–	2,448,399	–	–	168,082	4,526,406	411,959	(113,209)	997,259	22,931,823

THE COMPANY

				Non-cash changes							
	At 1 July	Transferred to lease liabilities IFRS 16	Financing cash flows	Acquisition of subsidiaries	Disposal of subsidiaries	Cash flow hedge	Leases	Exchange differences	Held for sale	Others	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2021		(Note 16)	(Note (v))	(Note 38(a))	(Note 38(b))				(Notes 21)	(Note (iv))	
Bank loans	1,053,695	–	(53,703)	–	–	–	–	–	–	1,241	**1,001,233**
Other borrowings	–	–	84,594	–	–	–	–	–	–	–	**84,594**
Bonds	6,314,337	–	2,677,946	–	–	–	–	–	–	39,328	**9,031,611**
Dividend payable	265,287	–	(340,112)	–	–	–	–	–	–	299,299	**224,474**
Lease liabilities	66,292	–	(21,613)	–	–	–	32,204	–	–	–	**76,883**
	7,699,611	–	2,347,112	–	–	–	32,204	–	–	339,868	**10,418,795**
2020											
Bank loans	1,159,470	–	(109,149)	–	–	–	–	–	–	3,374	1,053,695
Other borrowings	–	–	–	–	–	–	–	–	–	–	–
Bonds	3,329,180	–	2,988,532	–	–	–	–	–	–	30,338	6,348,050
Dividend payable	–	–	(149,649)	–	–	–	–	–	–	414,937	265,288
Lease liabilities	–	11,009	(16,597)	–	–	–	71,880	–	–	–	66,292
Finance lease	11,009	(11,009)	–	–	–	–	–	–	–	–	–
	4,499,659	–	2,713,137	–	–	–	71,880	–	–	448,649	7,733,325

(i) During the reporting year 30 June 2021, SALT Hospitality Ltd entered into voluntary administration and had borrowings amounting to Rs 75 million and lease liabilities of Rs 309 million at that date.

(ii) Cash flow hedge reserve is used to record the exchange differences arising on the Euro, GBP and USD loans taken by the Group. The hedging of those loans are done with the inflows of revenue by the Group in the same currency. The movement for the year is in respect of exchange difference on conversion of loan in USD, GBP and EURO at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss.

(iii) The Circle Square Holding Co Ltd (CSHL) was classified as held for sale in the year ended 30 June 2018 and continued to be classified as at 30 June 2020 and has repaid all its loan balances in the current reporting period. During the reporting year 30 June 2021, PL Resorts Ltd was classified as held for sale and had a bank loan and borrowings balance of Rs 179 million and Rs 163 million respectively.

(iv) Others include non-cash transactions such as dividend declaration during the year and interests accrued but not yet paid on interest-bearing loans and borrowings. The Group classifies interests paid as cash flows from operating activities.

(v) Cash flows from financing exclude Convertible bonds issued amounting to Rs 744 million, interest paid on convertible bond amounting to Rs 4 million and shares issued to non-controlling shareholders amounting to Rs 182 million from the net cash flows from financing activities in the statement of cash flows.

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

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Long term incentive scheme (Note (a))	**164,945**	126,633	**102,275**	78,562
Provision for financial guarantees (Note (b))	**78,263**	–	**40,000**	–
	243,208	126,633	**142,275**	78,562

(a) IBL Ltd has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value within the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in Good Standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the Exercise Price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at the end of the third year from the allocation date up to the fifth year.

(b) SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. Financial guarantees provision has been provided in respect of SHL for corporate guarantees given to banks and creditors. Refer to Note 35.

The Group provision for financial guarantees are with financial institutions amounting to Rs 71 million and unsecured creditors amounting to Rs 7 million. As per Moody's credit ratings, Rs 63 million are with finaincial institution having Baa3 credit ratings and Rs 8 million with financial institutions that are unrated.

The Company provision for financial guarantees are with finanical institutions amounting to Rs 40 million having Baa3 credit ratings as per Moody's credit ratings.

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

24. EMPLOYEE BENEFIT AND RELATED (ASSETS)/LIABILITIES

THE GROUP

The Group's pension fund comprise both final salary defined benefit plans and defined contribution plans. The pension fund, namely IBL Pension Fund, is operational since 1 July 2002 for the majority of the employees of the Group. Pension Consultants and Administrators Ltd is responsible for the management of this fund. The plans provide for a pension at retirement and a benefit on death or disablement in service before retirement.

The Company operates a group defined benefit plan as the legal sponsoring employer, which covers some current and former employees of the Company and its related parties. The plan is wholly funded and the risks are shared amongst all participants. The benefits to employees and pensioners are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

As at 30 June 2019, there was no contractual agreement or stated policy between the Company and its related parties for recharging the defined benefit costs and liabilities to them. Effective 1 July 2019, the Company has entered into an agreement to recharge pension costs and liabilities relating to current and former employees of the related parties to the latter. The Company has reflected this recharge in its results for the year and amounts recoverable from related parties in note (v).

The Group also has defined contribution plans for the Company and its subsidiaries. Furthermore, for one of the subsidiaries, some employees receive a guaranteed amount equal to a defined benefit scheme based on salary at retirement. The scheme is funded by the employer, through contributions to a fund administered separately for both year ended 30 June 2020 and 30 June 2021.

The unfunded portion of the obligation concern employees who are entitled to employee benefits payable under the "Worker's Rights Act 2019". This provides for a lump sum at retirement based on final salary and years of service.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The most recent actuarial valuation of the pension plans were carried out at 30 June 2021 by Swan Life Ltd.

The pension plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk – The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk – If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Investment risk – The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk – If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Amounts recognised in the statements of financial position:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Employee benefit and related assets (Note (v))	**(6,798)**	(11,324)	**(231,583)**	(437,712)
Employee benefit under defined benefit plan (Note (i))	**1,217,056**	2,219,591	**627,125**	1,099,575
Employee benefit under The Worker's Rights Act 2019 (Note (ii))	**877,040**	992,188	**102,721**	103,085
	2,094,096	3,211,779	**729,846**	1,202,660

	THE GROUP		THE COMPANY	
(i) **Defined benefit plan**	**2021**	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Employee benefit liabilities	**1,217,056**	2,219,591	**627,125**	1,099,575
	1,217,056	2,219,591	**627,125**	1,099,575
Present value of funded obligation	**3,513,962**	4,189,764	**1,796,784**	2,110,177
Fair value of plan assets	**(2,296,906)**	(1,970,173)	**(1,169,659)**	(1,010,602)
Liability recognised in the statements of financial position	**1,217,056**	2,219,591	**627,125**	1,099,575

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) **Defined benefit plan (continued)**

Movement in the liabilities recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**2,219,591**	1,161,356	**1,099,575**	682,355
Amount recognised in profit or loss	**162,960**	116,970	**66,066**	61,309
Amount recognised in other comprehensive income	**(932,371)**	1,141,124	**(386,782)**	510,784
Contributions and direct benefit paid	**(233,124)**	(199,859)	**(151,734)**	(154,873)
At 30 June	**1,217,056**	2,219,591	**627,125**	1,099,575

One of the plans, IBL Pension Fund ("IBLPF"), contained an Annuity Fund since its inception from which all pensioners were paid. All sponsoring employers accepted, at that time, the pooling of risk and inherent cross subsidies associated with this common Annuity Fund. The governing body of IBLPF, in agreement with the sponsoring employees, decided to allocate the assets and liabilities of the Annuity Fund to each respective employer effective 1 July 2018. Until that date, the Group had accounted for the Annuity Fund as if it were a defined contribution plan. The allocation of assets and liabilities from the Annuity Fund have been recognised during the current year with the excess of liabilities over assets recognised in profit or loss for the year.

Amounts recognised in:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
- Statements of profit or loss:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current service cost	**98,424**	57,768	**36,987**	27,072
Net interest cost	**64,536**	59,202	**29,079**	34,237
Components of amount recognised in profit or loss	**162,960**	116,970	**66,066**	61,309
- Statements of other comprehensive income:				
Return on plan assets (excluding amounts included in net interest expense)	**(197,528)**	42,399	**(71,929)**	43,211
Actuarial (gain)/loss arising from changes in financial assumptions	**(635,425)**	916,496	**(304,437)**	508,555
Actuarial (gain)/loss arising from experience adjustments	**(99,418)**	182,229	**(10,416)**	(40,982)
Components of amount recognised in other comprehensive income	**(932,371)**	1,141,124	**(386,782)**	510,784
Total	**(769,411)**	1,258,094	**(320,716)**	572,093
Actual return on plan assets	**256,473**	144,129	**101,155**	11,365

Movement in the present value of the defined benefit obligations were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**4,189,764**	3,013,479	**2,110,177**	1,625,201
Current service cost	**79,863**	51,039	**34,614**	21,173
Interest cost	**123,481**	165,159	**58,305**	88,812
Benefits paid	**(169,552)**	(138,638)	**(91,459)**	(92,582)
Actuarial loss arising from experience adjustments	**(99,418)**	182,229	**(10,416)**	(40,982)
Actuarial loss arising from changes in financial assumptions	**(635,425)**	916,496	**(304,437)**	508,555
Transfer of liabilities from Annuity Fund	**25,637**	-	**-**	-
Employee's contribution	**(388)**	-	**-**	-
At 30 June	**3,513,962**	4,189,764	**1,796,784**	2,110,177

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) Defined benefit plan (continued)

Movements in the present value of the plan assets were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**1,970,173**	1,852,124	**1,010,602**	942,846
Interest income	**58,945**	105,957	**29,226**	54,575
Current service cost	**(14,277)**	-	**-**	-
Return on plan assets excluding interest income	**197,528**	38,172	**71,929**	(43,210)
Employer contributions	**232,735**	119,287	**151,734**	154,872
Scheme expenses	**(1,009)**	(2,182)	**28**	(2,359)
Cost of insuring risk benefits	**(3,275)**	(4,547)	**(2,401)**	(3,540)
Transfer from defined contribution reserve account	**25,638**	-	**-**	-
Benefits paid	**(169,552)**	(138,638)	**(91,459)**	(92,582)
At 30 June	**2,296,906**	1,970,173	**1,169,659**	1,010,602

The fair value of the plan assets at the end of the reporting period for each category are as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**345,887**	279,765	**231,115**	143,505
Equity investments categorised by industry type:				
- Local	**718,407**	500,424	**254,620**	256,693
- Foreign	**559,052**	490,573	**377,008**	251,640
Fixed interest instruments	**665,993**	683,650	**306,916**	350,679
Properties	**7,567**	15,761	**-**	8,085
Total market value of assets	**2,296,906**	1,970,173	**1,169,659**	1,010,602

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Discount rate	**4.2%**	2.8% - 4.1%	**4.2%**	3.3%
Future long term salary increase	**2.0%**	1.0% - 4.0%	**2.0%**	1.0%
Future pension increase	**0%**	0%	**0%**	0%
Average retirement age (ARA)	**60 - 65 years**	60 - 65 years	**60 years**	60 years

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(i) **Defined benefit plan (continued)**

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**620,446**	242,231	**306,163**	238,852
Decrease in defined benefit obligation due to 1% increase in discount rate	**511,448**	193,517	**250,451**	196,897
Increase in defined benefit obligation due to 1% increase in salary	**161,285**	40,246	**60,733**	38,431
Decrease in defined benefit obligation due to 1% decrease in salary	**151,975**	33,418	**55,541**	35,232

Future cash flows:

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuaries.

The Company expects to make a contribution of Rs 127.5 million to the defined benefit plan during the year ending 30 June 2022 (2021: Rs 127.5 million).

The average duration of the defined benefit obligation at 30 June 2021 was between 9 and 23 years (2020: 7 and 23 years).

(ii) **Employee benefit under The Worker's Rights Act 2019**

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of unfunded obligations	**877,040**	992,188	**102,721**	103,085

Movement in liability recognised in financial position:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**992,188**	902,839	**103,085**	110,651
Acquisition of subsidiaries (Note 38(a))	**4,090**	–	**–**	–
Disposal of subsidiaries (Note 38(b))	**(3,708)**	–	**–**	–
Transfer to subsidiaries	**–**	–	**–**	(146)
Amount recognised in profit or loss	**112,762**	112,530	**10,064**	13,170
Amount recognised in other comprehensive income	**(182,700)**	37,227	**(2,513)**	(16,968)
Exchange difference	**306**	–	**–**	–
Employee benefit paid	**(45,897)**	(60,408)	**(7,915)**	(3,622)
At 30 June	**877,041**	992,188	**102,721**	103,085

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(ii) **Employee benefit under The Worker's Rights Act 2019 (continued)**

Amount recognised in the statement of comprehensive income:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current service cost	**84,476**	62,628	**7,256**	6,778
Past service cost	**4,813**	1,318	**–**	–
Settlement cost	**(23)**	–	**–**	–
Net interest cost	**23,496**	48,584	**2,808**	6,392
Components of amount recognised in profit or loss	**112,762**	112,530	**10,064**	13,170
Remeasurement of the net defined benefit liability:				
Actuarial (gain)/loss arising from experience adjustments	**(25,818)**	(56,836)	**8,626**	(20,839)
Actuarial (gain)/loss arising from changes in financial assumptions	**(156,882)**	94,063	**(11,139)**	3,871
Components of amount recognised in other comprehensive income	**(182,700)**	37,227	**(2,513)**	(16,968)
At 30 June	**(69,938)**	149,757	**7,551**	(3,798)

Movements in the present value of the defined benefit obligations in the current year were as follows:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**992,188**	902,839	**103,085**	110,651
Acquisition of subsidiaries (Note 38(a))	**4,090**	–	**–**	–
Transfer to subsidiaries	**–**	–	**–**	(146)
Current service cost	**84,476**	62,628	**7,256**	6,778
Settlement cost	**(23)**	–	**–**	–
Interest cost	**23,496**	48,584	**2,808**	6,392
Past service cost	**4,813**	1,318	**–**	–
Actuarial (gain)/loss arising from experience adjustments	**(25,818)**	(56,836)	**8,626**	(20,839)
Actuarial (gain)/loss arising from changes in financial assumptions	**(156,882)**	94,063	**(11,165)**	3,871
Retirement paid	**(45,897)**	(60,408)	**(7,889)**	(3,622)
Disposal of subsidiary	**(3,708)**	–	**–**	–
Exchange difference	**306**	–	**–**	–
At 30 June	**877,041**	992,188	**102,721**	103,085

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(ii) **Employee benefit under The Worker's Rights Act 2019 (continued)**

The principal actuarial assumptions used for accounting purposes are:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Discount rate	**3.1% – 6.1%**	2.1% – 3.7%	**4.8%**	2.9%
Future long term salary increase	**2.0%**	1.0%	**2.0%**	1.0%

Sensitivity analysis on defined benefit obligations at end of the reporting date:

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**146,656**	118,656	**19,659**	14,782
Decrease in defined benefit obligation due to 1% increase in discount rate	**111,451**	108,831	**16,599**	12,530
Increase in defined benefit obligation due to 1% increase in salary	**145,757**	120,991	**17,729**	14,358
Decrease in defined benefit obligation due to 1% decrease in salary	**114,533**	108,223	**15,179**	12,316

(iii) **Defined contribution plans**

	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Contributions for the defined contribution plans	**188,835**	276,765	**23,791**	24,100

(iv) **State pension plan**

	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
National Pension Scheme contribution expensed	**102,887**	140,961	**15,565**	8,410

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

24. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(v) **Amount recoverable from related parties**

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amount recoverable from related parties	**6,798**	11,324	**231,583**	437,712
Recharged through profit and loss:				
Defined benefits liabilities on 1 July 2019	**–**	6,427	**–**	248,251
Service and interest costs for the year	**945**	373	**24,511**	13,922
Recharged through Other Comprehensive Income:				
Actuarial loss from changes in financial assumptions	**(4,200)**	4,524	**(181,530)**	175,539
	(3,255)	11,324	**(157,019)**	437,712

The amount recoverable from related parties represents the following deficit in the defined benefit pension plan operated by the Company.

	THE GROUP		THE COMPANY	
Present value of defined benefit obligations being recharged	**2021**	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of defined benefit obligations at 1 July	**19,495**	14,772	**759,106**	579,954
Current service cost	**605**	419	**12,077**	11,422
Interest cost	**542**	797	**20,896**	30,163
Actuarial losses	**(1,720)**	3,507	**(125,603)**	144,654
Benefits paid	**(313)**	–	**(26,913)**	(7,087)
Present value of defined benefit obligations recharged at 30 June	**18,609**	19,495	**639,563**	759,106

	THE GROUP		THE COMPANY	
Plan assets funding defined benefit pension plan	**2021**	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Fair value of plan assets funded at 1 July	**(8,171)**	(8,345)	**(321,394)**	(331,703)
Interest income	**(242)**	(498)	**(9,311)**	(19,027)
Employer's contribution	**(1,271)**	(455)	**(49,110)**	(11,199)
Scheme expenses	**(8)**	53	**(169)**	1,468
Cost of insuring risk benefits	**48**	58	**1,018**	1,623
Actuarial losses	**(2,480)**	1,016	**(55,927)**	30,885
Benefits paid	**313**	–	**26,913**	6,559
Fair value of plan assets funded at 30 June	**(11,811)**	(8,171)	**(407,980)**	(321,394)
Deficit (amount recoverable from related parties)	**6,798**	11,324	**231,583**	437,712

The Group has established agreements with the subsidiaries for the recharge of the liability.

The Company has assessed for expected credit losses (ECL) on the employee benefit assets and ECL are deemed to be insignificant.

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

25. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021		2020	
	Rs'000	Rs'000	Rs'000	Rs'000
Trade payables (Note (a))	**3,731,464**	**2,144,803**	534,782	481,236
Other payables (Note (b))	**2,649,406**	**3,428,016**	281,078	449,656
Amounts payable to related companies (Note (a))	**81,241**	**37,597**	116,525	432,785
COVID-19 levy payable (Note (d))	**55,688**	**-**	-	-
Accruals (Note (b))	**1,542,005**	**1,445,411**	303,428	78,184
Provision for financial guarantees (Note (c))	**47,047**	**-**	-	-
	8,106,851	**7,055,827**	1,235,813	1,441,861

(a) The trade payables and amounts due to related companies are unsecured, interest free and the average credit period is 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

(b) Other payables and accruals comprise provisions for payroll related costs, amounts payable to contractors, deposits from tenants, audit and taxation fees, director fees, professional fees, project cost fees, and other accruals made in the normal course of business.

(c) SALT Hospitality Ltd ("SHL") entered into a voluntary administration in February 2021. A financial guarantee provision has been provided in respect of SHL for corporate guarantees given to banks and creditors. The provision for financial guarantees are with financial institutions having credit risk ratings of Baa3 as per Moody's credit ratings.

(d) The COVID-19 levy payable relates to COVID-19 levy which is an obligatory event arising upon the making of taxable profit.The COVID-19 levy is only applicable if an entity applied for the wage assistance scheme. The COVID-19 levy payable needs to be refunded to the Mauritius Revenue Authority if the Group is profitable in the next year of assessment.

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

26. TAXATION

Income tax is calculated at the rate of 15% (2020: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceeding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax - statements of financial position

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**(38,632)**	73,668	**(4,965)**	(4,694)
Acquisition of subsidiaries (Note 38(a))	**5,642**	-	**-**	-
(Under)/over provision in income tax in previous years	**(1,496)**	42,613	**4,078**	74
Provision for the year	**204,945**	274,345	**-**	-
Tax paid	**(203,014)**	(418,253)	**(570)**	(27)
Tax refunded	**40,521**	21,480	**3,225**	-
Provision for contribution CSR	**30,018**	39,640	**511**	33
CSR paid during the year	**(10,222)**	(25,234)	**(476)**	(23)
Tax deducted at source	**(48,072)**	(39,786)	**(3,803)**	(328)
Exchange difference	**6,481**	(2,915)	**-**	-
Other movements	**2,386**	(4,190)	**-**	-
At 30 June	**(11,443)**	(38,632)	**(2,000)**	(4,965)
Tax assets	**(70,467)**	(72,265)	**(2,000)**	(4,965)
Tax liabilities	**59,024**	33,633	**-**	-
	(11,443)	(38,632)	**(2,000)**	(4,965)

Tax paid on the statement of cash flows is derived by tax paid, tax refunded, CSR paid during the year and tax deducted at source.

(b) Income tax - statements of profit or loss

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Provision for the year - continuing operations	**202,870**	274,345	**-**	-
Exchange difference	**(5,042)**	-	**-**	-
(Over)/under provision in income tax in previous years	**(41,093)**	42,613	**37,947**	75
Deferred tax movement (Note 7)	**(74,634)**	(218,184)	**(6,483)**	25,130
Provision for contribution CSR	**30,018**	39,640	**511**	33
Tax expense for the year	**112,119**	138,414	**31,975**	25,238
Attributable to:				
- Continuing operations	**126,628**	137,345	**31,975**	25,238
- Discontinued operations (Note 21)	**(14,509)**	1,069	**-**	-
	112,119	138,414	**31,975**	25,238

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

26. TAXATION (CONTINUED)

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) before tax from continuing operations	292,908	(1,198,747)	43,055	(84,058)
Loss before tax from discontinued operations (Note 21)	(324,439)	(88,990)	–	–
	(31,531)	(1,287,737)	43,055	(84,058)
Tax calculated at a rate of 17% (2020: 17%)	54,589	(213,616)	7,791	(14,290)
Adjustments for:				
Non-deductible expenses	260,393	247,791	99,429	84,327
Exempt income	(107,225)	(31,996)	(114,784)	(31,859)
Tax losses utilised	33,619	(1,289)	–	(19,151)
Tax rate differential	(55,006)	(29,236)	–	–
(Under)/over provision of deferred tax in previous years	13,846	(57,337)	33,870	3,097
Over/(under) provision in income tax in previous years	(26,584)	40,759	4,077	74
Share of results of associates and joint ventures	(125,510)	(96,652)	–	–
Depreciation of assets not qualifying for capital allowances	1,744	2,192	1,081	1,015
Deferred tax not recognised	60,818	172,777	–	–
CSR adjustment	7,938	15,617	511	33
Others	(6,503)	89,404	–	1,994
Tax expense	112,119	138,414	31,975	25,238

Others comprise of adjustments with respect to elimination of unrealised profits on property, plant and equipment and inventories, and equity accounting of investment in associates and joint ventures.

(d) Tax losses

	THE GROUP	THE COMPANY
	Rs'000	Rs'000
Loss in respect of capital allowances acquired after 30 June 2006 - to be carried forward indefinitely	675,608	43,960
Assuming no future tax loss, the losses shall be extinguished as follows:		
30 June 2022	1,695,784	–
30 June 2023	9,031	–
30 June 2024	93,940	–
30 June 2025	108,984	–
30 June 2026	80,323	232
	2,663,670	44,192

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

27. GOVERNMENT GRANTS

	2021	2020
THE GROUP	Rs'000	Rs'000
At 1 July	46,792	50,514
Additions	–	1,697
Release against depreciation charge	(4,801)	(5,946)
Exchange differences	519	527
At 30 June	42,510	46,792
Non-current	29,864	33,923
Current	12,646	12,869
	42,510	46,792

Lux Island Resorts

The grants are in respect of Government assistance to finance construction of hotel and acquisition of plant and equipment in Reunion Island and have been accounted under the income approach. The grants are being released to profit or loss against depreciation charge over the useful life of the asset.

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

28. PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Profit for the year is arrived at after charging the following main items:				
Continuing operations				
Depreciation on property, plant and equipment (Note 4)	**1,616,020**	1,621,744	**62,335**	60,220
Depreciation on right of use assets (Note 16)	**578,482**	489,568	**22,716**	20,401
Amortisation of intangible assets (Note 6)	**92,023**	116,892	**14,138**	15,874
Cost of inventories recognised as expense	**22,315,391**	18,395,265	**3,768,190**	3,435,925
Selling and distribution expenses	**261,433**	-	**2,225**	-
Excise and specific duties	**2,461,226**	2,269,562	**-**	-
Wages and salaries (Note (i))	**5,372,516**	4,692,361	**746,691**	907,682
Termination benefits	**41,675**	29,038	**7,717**	-
Entertainment and passage benefits	**21,250**	68,059	**2,156**	14,571
Advertising and promotional expenses	**147,423**	98,713	**2,303**	26,200
Repairs and maintenance	**189,062**	190,704	**3,169**	4,921
Motor vehicle expenses	**231,013**	232,516	**24,175**	33,356
Loss on exchange	**132,861**	8,476	**15,775**	22
Assets written off (Note 4)	**15,593**	155,902	**4,346**	-
Interest expense on lease liabilities (Note 16)	**355,681**	323,595	**4,061**	3,625
Discontinued operations				
Depreciation on property, plant and equipment	**11,482**	28,212	**-**	-
Amortisation of intangible assets	**109**	-	**-**	-
Staff Cost	**8,092**	34,510	**-**	-
Right of use assets	**1,802**	-	**-**	-

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) The following pension contributions are included in staff costs:				
(a) Defined contribution plans (Note 24)	**188,835**	276,765	**23,791**	24,100
(b) State pension plan (Note 24)	**102,887**	140,961	**15,565**	8,410
	291,722	417,726	**39,356**	32,510

(b) Expected credit losses

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Allowance for credit losses on trade and other receivables (Note 18)	**62,013**	(282,464)	**(6,957)**	(40,813)
Allowance for credit losses on contract assets (Note 29)	**(1,502)**	(2,252)	**-**	-
Allowance for credit losses on non-current loan receivables (Note 17)	**(94,426)**	-	**(7,195)**	(294,609)
Allowance for credit losses on financial guarantees in other payables (Notes 23 and 25)	**(125,310)**	-	**(40,000)**	-
	(159,225)	(284,716)	**(54,152)**	(335,422)

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

29. REVENUE

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers for the transfer of goods and services in the following major product and service lines, revenue from insurance premiums, rental income and dividend income. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (See Note 39).

		THE GROUP		THE COMPANY	
(a) Revenue from contracts with customers	**Timing of revenue recognition**	**2021**	2020	**2021**	2020
Disaggregation of revenue		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Construction and repairs of ships	Over time	**973,594**	814,178	**-**	-
Construction and sale of properties	Over time	**156,666**	660,452	**-**	-
Construction contracts - construction, engineering and interior design	Over time	**2,043,367**	1,543,476	**-**	-
Customer loyalty programmes	Over time	**-**	-	**3,610**	17,631
Freight forwarding and custom clearing services	At a point in time	**419,225**	306,541	**-**	-
Hotel operations, management and leisure	Over time	**1,972,367**	4,812,889	**-**	-
Maintenance, repairs and after sale services	Over time	**175,584**	123,236	**-**	-
Management services - local and global businesses	Over time	**644,351**	568,201	**96,371**	114,379
Manufacturing, storage and sale of seafood and associated products	At a point in time	**1,292,984**	1,175,216	**-**	-
Medical research	Over time	**277,525**	192,794	**-**	-
Processing and sale of beverages	At a point in time	**7,481,394**	7,141,857	**-**	-
Sale of equipment - heavy machineries, generators and irrigation	At a point in time	**649,795**	627,033	**-**	-
Sale of goods - tools, spare parts and electrical goods	At a point in time	**639,261**	515,788	**-**	-
Sales of goods - consumer, retail, wholesale and other products	At a point in time	**17,234,471**	16,511,151	**4,656,700**	4,276,550
Shipping and aviation services	Over time	**187,191**	243,284	**9,218**	3,849
Transport services - Cargo and passengers	At a point in time	**228,046**	368,390	**-**	-
Travel-related services - corporate and leisure	At a point in time	**1,047**	6,561	**-**	-
Others	At a point in time	**5,912**	16,411	**-**	-
		34,382,780	35,627,458	**4,765,899**	4,412,409
Attributable to:					
- Continuing operations		**34,248,243**	35,012,522	**4,765,899**	4,412,409
- Discontinued operations (Note 21)		**134,537**	614,936	**-**	-
		34,382,780	35,627,458	**4,765,899**	4,412,409

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

29. REVENUE (CONTINUED)

		Timing of revenue recognition	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
(b)	**Gross insurance premiums**	Over time	**1,487,302**	1,410,717	**–**	–
	Attributable to:					
	– Continuing operations		**1,487,302**	1,410,717	**–**	–
			1,487,302	1,410,717	**–**	–
(c)	**Rental income**	Over time	**120,377**	96,214	**2,059**	–
	Attributable to:					
	– Continuing operations		**120,377**	96,214	**2,059**	–
			120,377	96,214	**2,059**	–
(d)	**Dividend income**	At a point in time	**6,020**	22,417	**725,400**	601,904
	Attributable to:					
	– Continuing operations		**6,020**	22,417	**725,400**	601,904
			6,020	22,417	**725,400**	601,904
	Total Revenue					
	Revenue from contracts with customers (Note 29(a))		**34,382,780**	35,627,458	**4,765,899**	4,412,409
	Gross insurance premiums (Note 29(b))		**1,487,302**	1,410,717	**–**	–
	Rental income (Note 29(c))		**120,377**	96,214	**2,059**	–
	Dividend income (Note 29(d))		**6,020**	22,417	**725,400**	601,904
			35,996,479	37,156,806	**5,493,358**	5,014,313
	Attributable to :					
	– Continuing operations		**35,861,942**	36,541,870	**5,493,358**	5,014,313
	– Discontinued operations (Note 21)		**134,537**	614,936	**–**	–
			35,996,479	37,156,806	**5,493,358**	5,014,313

(e) **Contract balances**

Set out below is the information about contract assets and contract liabilities from contracts with customers.

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000
Contract assets (Note (f))	**793,804**	591,560
Contract liabilities (Note (g))	**597,731**	494,824
	1,391,535	1,086,384

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

29. REVENUE (CONTINUED)

(f) **Contract assets**

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date on construction contracts. The Group also receives advances on hotel operations and medical researches.

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000
At 1 July	**591,560**	703,743
Addition during the year	**290,331**	13,695
Allowance for expected credit losses	**(1,502)**	(2,252)
Write offs during the year	**(6,703)**	–
Acquisition of subsidiaries (Note 38)	**2,632**	–
Progress billings	**(83,276)**	(122,179)
Exchange differences	**762**	(1,447)
At 30 June	**793,804**	591,560
Non-current	**77,600**	84,304
Current	**716,204**	507,256
	793,804	591,560

Management has assessed its lifetime ECL on contract assets on the same basis as its trade receivables. An ECL of Rs 1.5 million has been provided for the year ended 30 June 2021 (2020: Rs 2.25 million).

Set out below is the movement in the loss allowance:

	2021 Rs'000	2020 Rs'000
At 1 July	**(2,252)**	–
Increase in loss allowance recognised in profit or loss during the year	**(1,502)**	(2,252)
At 30 June	**(3,754)**	(2,252)

(g) **Contract liabilities**

The contract liabilities relate to advance consideration received from customers for which revenue is recognised over time.

	THE GROUP At 1 July Rs'000	Amount received during the year Rs'000	Amount recognised in revenue Rs'000	At 30 June Rs'000
2021				
Arising on upfront fees from management services recognised over time	**72,847**	**68,599**	**(73,253)**	**68,193**
Deposits collected on future stay from customers	**1,873**	**223,529**	**(1,873)**	**223,529**
Amounts related to construction contracts	**393,175**	**186,219**	**(301,843)**	**277,551**
Customer loyalty programme	**19,117**	**230**	**(3,610)**	**15,737**
Amounts related to research and development	**7,812**	**4,909**	**–**	**12,721**
	494,824	**483,486**	**(380,579)**	**597,731**
2020				
Arising on upfront fees from management services recognised over time	68,188	74,009	(69,350)	72,847
Deposits collected on future stay from customers	–	1,873		1,873
Amounts related to construction contracts	231,216	316,665	(154,706)	393,175
Customer loyalty programme	19,186	17,562	(17,631)	19,117
Amounts related to research and development	13,755	7,044	(12,987)	7,812
	332,345	417,153	(254,674)	494,824

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

30. OTHER INCOME

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sundry income (Note (i))	**406,096**	298,323	**104,853**	144,613
Transport income	**31,207**	9,843	**–**	–
Profit on disposal of property, plant and equipment	**11,346**	5,002	**614**	90
Profit on disposal of investment property	**1,644**	–	**–**	–
Gain on exchange	**336,826**	284,779	**78,119**	102,680
Directors fees	**3,653**	12,890	**11,183**	7,314
Secretarial fees	**2,744**	2,936	**9,932**	10,372
Wage assistance scheme	**478,646**	166,612	**–**	–
Bad debts recovered	**1,539**	7,606	**10**	–
	1,273,701	787,991	**204,711**	265,069
Attributable to:				
- Continued operations	**1,222,972**	748,314	**204,711**	265,069
- Discontinued operations (Note 21)	**50,729**	39,677	**–**	–
	1,273,701	787,991	**204,711**	265,069

(i) Sundry income includes marketing incentives received from suppliers and staff secondment among others.

31. INTEREST INCOME USING THE EFFECTIVE INTEREST RATE METHOD

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**84,831**	48,644	**13,839**	17,827
Interest income from related parties	**–**	–	**–**	39,124
	84,831	48,644	**13,839**	56,951
Attributable to:				
- Continuing operations	**84,831**	48,644	**13,839**	56,951
	84,831	48,644	**13,839**	56,951

32. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on:				
- Bank loans	**422,081**	494,169	**46,634**	51,151
- Bank overdrafts	**123,053**	116,778	**67,406**	65,732
- Other loans	**326,814**	340,919	**242,896**	241,474
- Leases (Notes (i) and 16)	**355,681**	323,595	**4,061**	3,625
	1,227,629	1,275,461	**360,997**	361,982
Attributable to:				
- Continuing operations	**1,193,283**	1,205,216	**360,997**	361,982
- Discontinued operations (Note 21)	**34,346**	70,245	**–**	–
	1,227,629	1,275,461	**360,997**	361,982

(i) The finance costs on leases have been disclosed in Note 16 as from year ended 30 June 2021.

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

33. OTHER GAINS AND LOSSES

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of issue of bonds and other costs	**(14,901)**	(16,000)	**(14,902)**	(16,000)
Fair value adjustment on investment properties (Note 5)	**120,470**	20,502	**–**	–
Fair value adjustment on investment properties held for sale (Note 21)	**–**	2,588	**–**	–
Gain on disposal of associates (Note 12)	**980**	–	**–**	–
Reversal of provisions	**–**	92,536	**22,886**	8,761
Assets written off	**–**	(104,040)	**–**	–
Termination of lease released to profit or loss	**17,776**	–	**7,717**	–
Gain on deemded disposal of associate	**59,724**	–	**–**	–
Recharge of employee benefit liability	**–**	6,427	**–**	248,251
Loss on disposal of held for sale assets	**(60,888)**	6,517	**–**	–
Impairment of held for sale assets	**(86,452)**	–	**–**	–
Impairment of property, plant and equipment (Note 4)	**(13,249)**	–	**–**	–
COVID-19 rent concession (Note 16)	**18,476**	–	**–**	–
Impairment of right of use assets (Note 16)	**(70,111)**	–	**(7,490)**	–
Gain/(loss) on debt instruments at fair value through profit and loss (Note 14)	**85,667**	(32,691)	**3,500**	–
	57,492	(24,161)	**11,711**	241,012
Attributable to:				
- Continuing operations	**204,832**	(26,749)	**11,711**	241,012
- Discontinued operations (Note 21)	**(147,340)**	2,588	**–**	–
	57,492	(24,161)	**11,711**	241,012

34. COMMITMENTS

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Capital commitments				
Authorised by the Board of Directors and:				
(i) Contracted for	**510,046**	1,745,186	**–**	636
(ii) Not contracted for	**865,864**	2,218,700	**43,209**	29,118
	1,375,910	3,963,886	**43,209**	29,754

The associates and joint ventures of the Group had contracted and non-contracted capital commitments amounting to Nil (2020: Rs 160,273,000) and Rs 281,682,000 (2020: Rs 741,897,000) respectively for the year ended 30 June 2021.

One of the associates had undrawn commitments for loans and receivables amounting to Rs 982 million at 30 June 2021 (2020: Rs 915 million).

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

35. CONTINGENT LIABILITIES

(a) **Legal claim contingency**

Lux Island Resorts (LIR)

LIR is being sued for breach of termination of employment contract by a number of former employees and the amount claimed is Rs 60.1 million (2020: Rs 54.1 million). The Directors have been advised that some claims appear unfounded and that the necessary severance alowance/damages claim in others appear grossly exaggerated. 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 26.2m (2020: Rs 25.5m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

Eagle Insurance Limited

Following the investigation by the Competition Commission of Mauritius ("CCM") into the affairs of all members of the Association of Private Health Plans and Administrators ("APHPA") relative to the alleged collusive behaviour, they have now submitted their findings in a preliminary report dated 15 May 2020.

They have based their findings on two grounds namely:

1) Agreements between members of the APHPA on a common scale of cost in so far as it concerns gynecological procedures and,

2) Agreement between certain members of APHPA on referrals of cases for overseas treatment. EIL's objections to these points had been submitted to APHPA counsel. Unfortunately, despite the arguments put forward, the CCM has not budged from its preliminary report's findings and EIL's share of the fine which amounts to Rs 803,404.

A meeting with all parties was scheduled by the CCM on the 7 April 2021 to go through their report before going public, but has been delayed due to the confinement. Another meeting with CCM will be rescheduled.

(b) **Bank guarantees**

The Company and several subsidiaries have provided bank guarantees and other guarantees in the normal course of their activities. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantees is remote.

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank guarantees	**460,483**	202,626	**52,983**	68,826
Guarantee and letter of credit	**1,741,003**	1,373,721	**590,155**	69,255
	2,201,486	1,576,347	**643,138**	138,081

The Group and the Company have provided for Rs 125.31 million and Rs 40 million respectively for financial guarantees given to banks and creditors in respect of SALT Hospitality Ltd which entered into voluntary administration in February 2021.

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

36. RELATED PARTY TRANSACTIONS

THE GROUP

	Associates and Joint Ventures	
	2021	2020
Balances	**Rs'000**	Rs'000
Cash and cash equivalents	**55,734**	35,634
Trade and other receivables	**233,590**	260,521
Trade and other payables	**81,241**	32,958
Amount recoverable from related parties on employee benefit liabilities	**6,798**	11,324
Bank overdrafts and borrowings	**448,178**	946,414

	Associates and Joint Ventures	
	2021	2020
Transactions	**Rs'000**	Rs'000
Sale of goods and services	**1,314,358**	1,135,607
Purchase of goods and services	**650,053**	690,392
Interest expense	**25,213**	26,634

For the year ended 30 June 2021, the Group recognised provision for expected credit losses relating to amounts owed by related parties (Note 18).

THE COMPANY

	Subsidiaries		Associates and Joint Ventures	
	2021	2020	**2021**	2020
Balances	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**–**	–	**25,279**	7,585
Trade and other receivables	**384,362**	433,709	**13,528**	58,720
Trade and other payables	**95,566**	77,641	**20,959**	4,990
Borrowings	**–**	–	**89,097**	401,659

	Subsidiaries		Associates and Joint Ventures	
	2021	2020	**2021**	2020
Transactions	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sale of goods and services	**1,037,510**	1,014,937	**13,101**	18,677
Purchase of goods and services	**94,379**	90,477	**191,421**	185,978
Dividend income	**466,659**	366,762	**254,787**	225,492
Interest income	**–**	61,275	**–**	–
Interest expense	**14,623**	22,149	**11,736**	13,448
Administrative expenses	**288,672**	279,024	**2,185**	2,701
Management fees	**57,002**	55,730	**6,100**	6,672

The terms and conditions of transactions with related parties are presented in their respective notes.

The Company has provided a letter of financial support to the following subsidiaries: DieselActiv Co Ltd, Medical Trading International Ltd, IBL Financial Services Holdings Ltd, IBL Life Ltd, IBL Gabon Investments Ltd, IBL India Investments Ltd, Marine Biotechnology International Ltd, IBL Biotechnology Investment Holdings Ltd and IBL Biotechnology International Ltd.

Compensation paid to key management personnel

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Short term benefits	**722,318**	977,929	**156,944**	257,257
Post employment benefits	**65,899**	55,653	**22,583**	14,834
	788,216	1,033,582	**179,527**	272,091

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

37(a). FINANCIAL INSTRUMENTS

In its ordinary operations, the Group and the Company are exposed to various risks such as capital risk, foreign currency risks, interest rate risks, credit risks and liquidity risks. The Group and the Company have devised on a central basis a set of specific policies for managing these exposures.

Capital risk management

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged.

The capital structure of the Group and the Company consists of debt, which includes borrowings, net of cash and cash equivalents and equity, comprising stated capital, reserves, retained earnings and non-controlling interests as disclosed in the statements of changes in equity.

Gearing ratio

The Group and the Company monitor capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt over net debt plus total equity. Net debt is calculated as total borrowings (as shown on the statement of financial position) less cash and cash equivalents. Total equity comprises all components of equity (i.e. stated capital, non-controlling interests, retained earnings and reserves).

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debt (Note (i))	**28,704,529**	26,330,887	**11,560,618**	9,987,583
Less: Cash and cash equivalents	**(4,622,354)**	(3,246,736)	**(485,399)**	(640,033)
Net debt	**24,082,175**	23,084,151	**11,075,219**	9,347,550
Total equity	**27,471,642**	25,160,715	**18,159,457**	15,274,567
Gearing (net debt/(net debt + total equity)	**47%**	48%	**38%**	38%

(i) Total debt includes borrowings (Note 22) and lease liability (Note 16)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 2(B) to the financial statements.

Categories of financial instruments

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at fair value through other comprehensive income	**10,664,823**	10,498,408	**27,856,660**	24,192,025
Financial assets at fair value through profit or loss	**429,354**	330,944	**-**	-
Financial assets at amortised cost	**16,464,343**	9,914,769	**2,069,574**	1,758,874
	27,558,520	20,744,121	**29,926,234**	25,950,899
Financial liabilities				
Amortised cost	**36,791,921**	34,852,008	**12,874,815**	11,713,343

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair values of financial assets and liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.
- Where there is no active market, the fair value of available for sale investments have been determined using valuation techniques including comparisons to similar recent transactions, reference to price earnings ratios of similar quoted investments, discounted cash flow and other valuation models. Such valuation exercises require that the Group and the Company make estimates of future cash flows, discount rates and price earning ratio as applicable to the relevant markets.

The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

	THE GROUP			
	Level 1	**Level 2**	**Level 3**	**Total**
2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Other financial assets (Note 14)	**243,318**	**339,925**	**237,660**	**820,903**
2020				
Other financial assets (Note 14)	255,151	120,024	321,137	696,312

	THE COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
2021	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Investment in subsidiaries (Note 11)	**5,256,218**	**424,634**	**15,633,965**	**21,314,818**
Investment in associates (Note 12)	**2,271,259**	**2,798,465**	**989,143**	**6,058,867**
Investment in joint ventures (Note 13)	**-**	**-**	**382,625**	**382,625**
Other financial assets (Note 14)	**32,805**	**-**	**69,495**	**102,300**
	7,560,282	**3,223,099**	**17,075,228**	**27,858,610**
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

There has been no transfer between Level 1 and Level 3 as at 30 June 2021 and 30 June 2020.

The reconciliation of Level 3 fair value financial instruments for the Company are detailed in Notes 11, 12, 13 and 14.

Reconciliation of Level 3 for the Group

	2021	2020
	Rs'000	Rs'000
At 1 July	**321,137**	215,052
Additions	**4,108**	21,591
Acquisition of subsidiaries (Note 38)	**59**	-
Disposals	**(107,904)**	(90,801)
Impairment loss	**(7)**	-
Fair value adjustment	**17,001**	-
Exchange difference	**204**	158
Accrued interest	**3,062**	74,700
Reclassification from level 1 to level 3	**-**	100,437
At 30 June	**237,660**	321,137

The impairment loss and fair value adjustment are unrealised. Since investment in associates and joint ventures are equity accounted, the fair value adjustment only relates to other financial assets. Refer to Note 14.

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3

THE GROUP

Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
		Unquoted equity investment	
2021			
PE Multiple	Multiple	11.35x-18.8x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 5,480,000
PE Multiple	Discount for lack of marketability	15%-55%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 5,662,000
		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 Rs 15.85m (2020: Rs 7m) 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 Rs 0.016m (2020: Rs 0.07m) in 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 a (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 (2020: Rs 7m) in fair value.
		Commerce and others	
Dividend yield	Discount due to lack of marketability	10%-20%	A 5% increase/(decrease) in discount factor will lead to a (decrease)/increase of Rs 0.016m (2020: Rs 0.07m) in fair value.

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Quantitative information of significant unobservable inputs - Level 3 (continued)

THE COMPANY

Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity to the input to fair value
		Unquoted equity investment	
2021			
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 951,844,000
DCF method	WACC	10.39%-24.09% (14.21%)	1% increase/(decrease) would result in a (decrease)/increase in fair value by Rs 1,202,480,000
PE Multiple	Multiple	10.0x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 157,057,663
PE Multiple	Discount for lack of marketability	0%-20%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 100,148,571
PB Multiple	Multiple	1.0x-1.08x	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 169,705,909
EV/EBITDA Multiple	Multiple	3.81x-24.75x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 103,014,713
2020			
		Unquoted equity investment	
DCF method	Long-term growth rate for cash flows for subsequent years	3.00% - 3.00% (3.00%)	1% increase/(decrease) would result in an increase/(decrease) in fair value by Rs 614,850,000
DCF method	WACC	11.87%-18.83% (14.55%)	1% increase/(decrease) would result in a (decrease)/increase in fair value by Rs 788,635,000
PE Multiple	Multiple	10.0x-12.09x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 205,907,300
PE Multiple	Discount for lack of marketability	0%-21%	An increase/(decrease) of 5% would result in a (decrease)/increase in fair value by Rs 99,979,050
EV/EBITDA Multiple	Multiple	2.25x-10.11x	An increase/(decrease) of 1x would result in an increase/(decrease) in fair value by Rs 89,612,842

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Foreign exchange risk

The Group and the Company are exposed to the risk that the exchange rate of the Mauritian Rupee relative to foreign currencies may change in a manner which has a material effect on the reported values of the Group's and the Company's assets and liabilities. The Group and the Company undertake certain transactions denominated in foreign currencies and hence, exposures to exchange rate fluctuations arise. The Group and the Company are mainly exposed to the United States Dollar (USD), Euro (EUR) and Great Britain Pounds (GBP).

Currency profile

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Mauritian Rupee	**24,221,231**	17,918,902	**29,728,513**	25,274,706
US Dollars	**1,289,877**	1,144,110	**118,665**	595,015
Euro	**763,386**	326,995	**77,173**	79,979
Great Britain Pounds	**204,483**	50,452	**650**	1,199
Others	**1,079,543**	1,303,662	**1,233**	-
	27,558,520	20,744,121	**29,926,234**	25,950,899
Financial liabilities				
Mauritian Rupee	**25,151,943**	28,628,159	**12,874,815**	11,649,631
US Dollars	**4,566,808**	121,010	**-**	14,553
Euro	**4,023,542**	623,853	**-**	47,455
Great Britain Pounds	**691,162**	106,947	**-**	1,704
Others	**2,358,466**	5,372,039	**-**	-
	36,791,921	34,852,008	**12,874,815**	11,713,343

<u>**Foreign currency sensitivity analysis**</u>

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Mauritian Rupee appreciates 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit.

Impact of an appreciation of 10% of the Mauritian Rupee against the relevant currencies:

	THE GROUP		THE COMPANY	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Impact - US Dollars				
Profit or loss	**(327,693)**	102,310	**11,867**	58,046
Equity	**45,552**	45,552	**-**	-
Impact - Euro				
Profit or loss	**(326,016)**	(29,686)	**7,717**	3,252
Equity	**(64,591)**	(64,591)	**-**	-
Impact - Great Britain Pounds				
Profit or loss	**(48,668)**	(5,650)	**65**	(50)
Equity	**(27,872)**	(27,872)	**-**	-

The profit or loss is mainly attributable to the exposure outstanding on foreign currency receivables, payables, borrowings and cash and cash equivalents at year end in the Group and the Company. The equity impact of a change in rate of Euro vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary in Réunion Island and also to the hedge reserve arising on the hedge accounting on Euro loans. The equity impact of a change in rate of USD vis-à-vis the Mauritian Rupee is attributable mainly to net investment in the subsidiary Lux Island Resorts Maldives Ltd, and also to the hedge reserve arising on USD loans.

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Group and the Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Group and the Company manage the risk by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets are either interest free or bear a fixed rate of interest; therefore, they are not exposed to interest rate risk. For instance, the financial assets as shown in the categories of financial instruments, with the exception of loans and advances, are interest free. Financial assets encompassing loans and advances have a fixed rate of interest. A 100 basis points increase or decrease is used and it represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2021 would (decrease)/increase by Rs 136,274,987 (2020: Rs 113,049,363) and the Company's profit for the year ended 30 June 2021 would (decrease)/increase by Rs 43,246,566 (2020: Rs 39,909,603). This is mainly attributable to the Group's and the Company's exposure to interest rates on their variable rate borrowings.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis. Refer to Note 2A(b) for the credit risk attributes in relation to trade and other receivables, cash and bank balances and corporate bonds and deposits.

The Group's and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statements of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the Group's and the Company's maximum exposure to credit risk. Refer to Note 18 for the credit risk exposure of trade receivables based on the Group's and the Company's provision matrix in accordance with IFRS 9.

As explained in Note 18, in the previous financial year, receivable balance falling under the industry of agriculture, financial services, traders, foreign governmental bodies amongst others were classified as low risk entities and had not overlay applied to the provision matrix. On the other hand, receivable balance falling in the manufacturing and logistics (including the aviation sector) are classified as medium risk and had an overlay of 2% applied to the provision matrix. Receivable balance falling in the hospitality and the building and engineering were classified as high risk and had an overlay of 10% applied to the provision matrix.

Other price risks

The Group and the Company are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group and the Company do not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If the equity price had increased or decreased by 10%:

- there would be no impact on the net profit at 30 June 2020 and 2021 as equity investments are classified as Financial assets at fair value through other comprehensive income (OCI).
- The other comprehensive income and fair value reserves included in equity would increase/(decrease) by Rs 28,071,200 (2020: Rs 25,515,128) for the Group and Rs 4,033,283,400 (2020: Rs 667,980,434) for the Company, as a result of the changes in fair value of Financial assets at fair value through other comprehensive income (OCI).

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below shows the maturity profile of the financial liabilities of the Group and the Company, based on undiscounted contracted payments:

	THE GROUP				
	At call	Less than one year	1 to 5 years	> 5 years	Total
2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	**-**	**551,783**	**2,014,225**	**2,301,504**	**4,867,511**
Non-interest bearing instruments**	**-**	**8,345,985**	**243,208**	**-**	**8,589,193**
Variable interest rate instruments	**2,679,359**	**1,329,476**	**6,728,313**	**6,242,643**	**16,979,791**
Fixed interest rate instruments	**95,977**	**934,615**	**5,333,599**	**14,044,556**	**20,408,747**
Financial guarantee contracts*	**1,741,003**	**-**	**-**	**-**	**1,741,003**
	4,516,339	**11,161,859**	**14,319,345**	**22,588,703**	**52,586,245**
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

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

**Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

	THE COMPANY				
	At call	Less than one year	1 to 5 years	> 5 years	Total
2021	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	**-**	**20,100**	**60,625**	**-**	**80,725**
Non-interest bearing instruments	**-**	**1,460,107**	**142,275**	**-**	**1,602,382**
Variable interest rate instruments	**1,366,296**	**26,830**	**2,050,000**	**2,530,000**	**5,973,126**
Fixed interest rate instruments	**-**	**6,015**	**2,950,000**	**2,470,000**	**5,426,015**
Financial guarantee contracts*	**590,155**	**-**	**-**	**-**	**590,155**
	1,956,451	**1,513,052**	**5,202,900**	**5,000,000**	**13,672,403**
2020					
Lease liabilities	-	20,950	11,290	34,044	66,284
Non-interest bearing instruments	-	1,114,830	78,562	-	1,193,392
Variable interest rate instruments	713,259	307,788	2,373,450	1,048,750	4,443,247
Fixed interest rate instruments	68,826	344,433	3,460,388	1,071,250	4,944,897
Financial guarantee contracts*	69,255	-	-	-	69,255
	851,340	1,788,001	5,923,690	2,154,044	10,717,075

*Based on the maximum amount that can be called for under financial guarantee contracts under IFRS 9.

**Non-interest bearing instruments consist of trade and other payables, other payables and dividend payable.

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

37(a). FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (continued)

Cash flow hedge

This reserve is in respect of cash flow hedge reserve as well as foreign translation currency reserve. The hedge reserve is used to record the exchange differences arising on the EUR, GBP and USD loans taken by the Group and which have been designated as hedging instruments against future revenues of the Group in the respective currencies. The risk management objective is to hedge the changes in cash flows arising from foreign exchange rate risk associated with future revenues and cash flows of the Group. The hedging strategy is to enter into loan agreements (the "hedging instruments"), in EUR, GBP and USD with future principal payments that will be matched by the future remittances from customers in these currencies. The movement for the year is in respect of exchange differences on conversion of loan in USD, GBP and EUR at year end rate. Upon annual repayment of long term borrowings the portion of hedge realised is released to profit or loss. The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

The effective portion of the gain or loss on the hedging instruments in cash flow hedge reserves recognised in the cash flow hedge as at 30 June 2020 is a negative reserve of Rs 310,743,000 (2020: Rs 28,640,000). The amount included in "other reserves" is negative Rs 199,553,000 (2020: Rs 7,914,000) while amount attributable to non-controlling interests is Rs 111,189,000 (2020: Rs 36,554,000).

The movement for the year amounting to negative Rs 339,383,000 in 2021 (2020: Rs negative 169,380,000) relates to exchange differences on translation of US Dollar and Euro at year end rate in addition to the portion of exchange difference reserve realised on repayment of borrowings. An amount of negative Rs 191,639,000 (2020: negative Rs 95,644,000) is attributable to the Company while an amount of negative Rs 147,743,000 (2020: negative Rs 73,736,000) is attributable to non-controlling interests.

Cash flow hedge reserves

	THE GROUP	
	2021	2020
	Rs'000	Rs'000
At 1 July	**(135,737)**	70,728
Cash flow hedge on loan in foreign currency	**(360,823)**	(243,933)
Cash flow hedge reserve released on repayment of loan	**21,440**	75,851
Tax on other comprehensive income	**46,979**	32,345
At 30 June	**(292,404)**	(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.

Casualty Insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

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

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the Company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Concentration of insurance risk (Short-term insurance)

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2021			2020		
Class of business	**Gross**	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	Rs'000	**Rs'000**	**Rs'000**	Rs'000	Rs'000	Rs'000
Accident	**96,243**	**(34,291)**	**61,952**	128,829	(73,237)	55,592
Engineering	**108,445**	**(94,102)**	**14,343**	82,091	(69,801)	12,290
Fire	**418,113**	**(372,885)**	**45,228**	453,391	(406,048)	47,343
Liability	**233,980**	**(149,985)**	**83,995**	187,473	(112,230)	75,243
Motor	**310,769**	**(25,942)**	**284,827**	320,748	(25,829)	294,919
Health	**31,376**	**(23,714)**	**7,662**	36,070	(28,295)	7,775
Marine	**116,502**	**(74,025)**	**42,477**	118,828	(66,009)	52,819
IBNR	**141,408**	**(63,190)**	**78,218**	231,409	(135,033)	96,376
	1,456,836	**(838,134)**	**618,702**	1,558,839	(916,482)	642,357

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

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

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred But Not Reported) IBNR is held at year-end.

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

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

2021

	2016	2017	2018	2019	2020	2021	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At end of							
Accident year	608,754	428,699	841,151	840,449	825,515	742,886	4,287,454
1 year later	89,706	163,750	59,271	51,996	47,362	-	412,085
2 years later	25,761	(32,106)	24,714	(71)	-	-	18,298
3 years later	(31,859)	(17,328)	(11,478)	-	-	-	(60,665)
4 years later	(6,673)	2,144	-	-	-	-	(4,529)
5 years later	34,354	-	-	-	-	-	34,354
Current estimate of cumulative claims	720,043	545,159	913,658	892,374	872,877	742,886	4,686,997
Accident year	349,390	317,902	308,880	308,367	508,812	472,863	2,266,214
1 year later	206,400	128,796	179,049	415,540	211,620	-	1,141,405
2 years later	20,571	16,075	51,861	29,820	-	-	118,327
3 years later	2,838	5,199	4,456	-	-	-	12,493
4 years later	1,964	3,370	-	-	-	-	5,334
5 years later	59,192	-	-	-	-	-	59,192
Cumulative payment to date	640,355	471,342	544,246	753,727	720,432	472,863	3,602,965
	79,688	73,817	369,412	138,647	152,445	270,023	1,084,032
Liabilities in respect of prior years*							231,396
IBNR							141,408
Total gross liabilities							1,456,836

*This represents the cumulative liabilities prior to 2016

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

37(b). MANAGEMENT OF INSURANCE RISKS (CONTINUED)

Claims development table

2020

	2015	2016	2017	2018	2019	2020	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
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	1,512,164	685,689	543,015	925,136	892,445	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	1,442,354	581,163	467,972	539,790	723,907	508,812	4,263,998
	69,810	104,526	75,043	385,346	168,538	316,703	1,119,966
Liabilities in respect of prior years*							207,464
IBNR							231,409
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 2021

38. BUSINESS COMBINATIONS

(a) **Acquisition of subsidiaries**

Current year reporting

In December 2020, the Group acquired a controlling stake in Confido Holdings Ltd for a total consideration of Rs 191 million hence increase its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 221.67 million. The Group is committed to sell 26%-44% of its stake in the coming three years.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
Assets	
Property, plant and equipment (Note 4)	3,167
Intangible assets (Note 6)	11,065
Non-current loan receivables (Note 17)	348
Right of use assets (Note 16(a))	4,211
Trade and other receivables	85,655
Deferred tax assets (Note 7)	260
Cash and cash equivalents	84,745
	189,451
Liabilities	
Trade and other payables	114,221
Employee benefit liabilities (Note 24)	1,910
Tax payable (Note 26)	5,551
Lease liabilities (Note 16(b))	4,371
	126,053
Fair value of net assets acquired	63,398
Consideration paid in cash	191,000
Fair value of previously held interests	94,075
	285,075
Goodwill	221,677

Cash flow	2021 Rs'000
Consideration paid in cash	191,000
Less: cash and cash equivalents acquired in subsidiary	(84,745)
Net cash outflow on acquisition	106,255

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 23 million and a profit before tax of Rs 9 million respectively attributable to the additional business generated by the acquired subsidiary.

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

38. BUSINESS COMBINATIONS (CONTINUED)

(a) **Acquisition of subsidiaries (Continued)**

Current year reporting

In January 2021, one of the associate made a dividend in specie in the form of shares of Ekada Capital Ltd. The Group subscribed for further shares and obtained a controlling interest of 51.97%. Goodwill arising on the acquisition amounts to Rs 20.29 million.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
Assets	
Property, plant and equipment (Note 4)	799
Intangible assets (Note 6)	217
Trade and other receivables	6,425
Contract assets (Note 29)	2,632
Other financial assets (Note 14)	59
Deferred tax assets (Note 7)	115
Cash and cash equivalents	5,302
	15,549
Liabilities	
Trade and other payables	13,964
Employee benefit liabilities (Note 24)	2,180
	16,144
Fair value of net assets acquired	(595)
Consideration paid in cash	8,327
Fair value of previously held interests	11,378
	19,705
Goodwill	20,300

Cash flow	2021 Rs'000
Consideration paid in cash	8,327
Less: cash and cash equivalents acquired in subsidiary	(5,302)
Net cash outflow on acquisition	3,025

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 11 million and a loss before tax of Rs 14 million respectively attributable to the additional business generated by the acquired subsidiary.

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

38. BUSINESS COMBINATIONS (CONTINUED)

(a) **Acquisition of subsidiaries (Continued)**

Current year reporting

In December 2020, one of the subsidiaries, IBL Life Ltd acquired a controlling stake in Plat Form Laser Ltée for a total consideration of Rs 1,800,000 hence increase its shareholding to 100%. Goodwill arising on the acquisition amounts to Rs 1.29 million.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2021 Rs'000
Assets	
Trade and other receivables	52
Cash and cash equivalents	1,648
	1,700
Liabilities	
Trade and other payables	607
Tax payable (Note 26)	91
	698
Fair value of net assets acquired	1,002
Consideration paid in cash	1,800
Fair value of previously held interests	501
	2,301
Goodwill	1,299

Cash flow	2021 Rs'000
Consideration paid in cash	1,800
Less: cash and cash equivalents acquired in subsidiary	(1,648)
Net cash outflow on acquisition	152

Impact of the acquisitions on the results of the Group

The revenue and results for the year ended 30 June 2021 include an amount of Rs 3 million and a profit before tax of Rs 0.5 million respectively attributable to the additional business generated by the acquired subsidiary.

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

38. BUSINESS COMBINATIONS (CONTINUED)

(a) **Acquisition of subsidiaries (Continued)**

Previous year reporting

In September 2019, one of the subsidiaries, Chantier Naval de l'Océan Indien Ltd acquired 100% stake in Mer & Design SAS for a consideration of Rs 49,562,574.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	2020 Rs'000
Assets	
Property, plant and equipment (Note 4)	487
Intangible assets (Note 6)	–
Non-current loan receivables (Note 17)	–
Right of use assets (Note 16(a))	–
Trade and other receivables	25,608
Contract assets (Note 29)	–
Other financial assets (Note 14)	–
Deferred tax assets (Note 7)	13,417
Cash and cash equivalents	–
	39,512
Liabilities	
Trade and other payables	8,527
Employee benefit liabilities (Note 24)	–
Tax payable (Note 26)	–
Lease liabilities (Note 16(b))	–
	8,527
Fair value of net assets acquired	30,985
Consideration paid in cash	49,563
Non-controlling interests	–
Fair value of previously held interests	–
	49,563
Goodwill	18,578

Cash flow	2020 Rs'000
Consideration paid in cash	49,563
Less: cash and cash equivalents acquired in subsidiary	(13,417)
Net cash outflow on acquisition	36,146

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

38. BUSINESS COMBINATIONS (CONTINUED)

(b) **Disposal of subsidiaries**

Current reporting year

Le Recif SAS was classified as assets held for sale as at June 2020. On 1 August 2020, the Group has finalised the sale of Hotel Le Recif, in Reunion Island, for a total proceeds of Rs 277 million.

Analysis of assets and liabilities over which control was lost:	2021 Rs'000
Assets	
Property, plant and equipment (Note 4)	336,276
Intangible assets (Note 6)	41,032
Right of use assets (Note 16(a))	–
Deferred tax assets (Note 7)	105,533
Trade and other receivables	50,645
Cash and cash equivalents	–
Inventories	2,516
	536,002
Liabilities	
Trade and other payables	147,525
Borrowings (Note 22)	119,567
Employee benefit liabilities (Note 24)	4,436
Bank overdrafts	–
Lease liabilities (Note 16(b))	–
	271,528
Net assets disposed	264,474
Share of net assets disposed	264,474
Profit on disposal	12,510
	276,984
Consideration	
Consideration received in cash	276,984
Consideration receivable	–
	276,984
Net cash outflow on disposal	
Consideration received in cash	276,984
Net cash and cash equivalents in subsidiary disposed	–
	276,984

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

38. BUSINESS COMBINATIONS (CONTINUED)

(b) **Disposal of subsidiaries (Continued)**

Current reporting year

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

Analysis of assets and liabilities over which control was lost:

	2021 Rs'000
Assets	
Property, plant and equipment (Note 4)	49,193
Intangible assets (Note 6)	1,441
Right of use assets (Note 16(a))	295,460
Deferred tax assets (Note 7)	–
Trade and other receivables	32,372
Cash and cash equivalents	1,656
Inventories	4,487
	384,609
Liabilities	
Trade and other payables	197,157
Borrowings (Note 22)	75,851
Employee benefit liabilities (Note 24)	3,708
Bank overdrafts	4,721
Lease liabilities (Note 16(b))	309,236
	590,673
Net liabilities disposed	(206,064)
Share of net liabilities disposed	(206,064)
Profit on disposal	206,064
	–
Consideration	
Consideration received in cash	–
Consideration receivable	–
	–
Net cash outflow on disposal	
Consideration received in cash	–
Net cash and cash equivalents in subsidiary disposed	3,066
	3,066

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

38. BUSINESS COMBINATIONS (CONTINUED)

(c) **Change in percentage holding in subsidiaries**

Current reporting year

On 27 April 2021, the Group acquired an additional 10% of the issued shares of UBP Coffrages Ltée for a purchase consideration of Rs 900,000. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 1,269,865. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2021
	Rs'000
Cash consideration paid to non-controlling interests	900
Less: Carrying amount of non-controlling interests acquired	1,270
Adjustment recognised in retained earnings	(370)

On 29 June 2021, the Group acquired an additional 5% of the issued shares of Ekada Capital Management Ltd for a purchase consideration of Rs 30,041,657. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 50,000,000. The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2021
	Rs'000
Cash consideration paid to non-controlling interests	30,042
Less: Carrying amount of non-controlling interests acquired	50,000
Adjustment recognised in retained earnings	(19,958)

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

39. SEGMENTAL INFORMATION – GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

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

The segment information reported on next page does not include any amounts for the Group's discontinued operations. More information is given in Note 21.

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

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

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(i) Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reporting segment.

At 30 June 2021	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue (Note 29)	**–**	**7,085,570**	**24,413,598**	**2,098,750**	**2,070,945**	**307,521**	**1,319,262**	**420,818**	**1,555,751**	**160,532**	**(3,570,805)**	**35,861,942**
Results												
Segment result	**(6,535)**	**540,866**	**1,184,302**	**145,458**	**(1,002,451)**	**(7,933)**	**(27,497)**	**7,638**	**305,600**	**(589,952)**	**(35,147)**	**514,349**
Share of results of Associates & Joint Ventures	**320,341**	**7,074**	**2,725**	**276,417**	**–**	**25,501**	**–**	**(2,358)**	**117,702**	**9,627**	**–**	**757,029**
Finance costs (Note 32)												**(1,193,283)**
Finance income (Note 31)												**84,831**
Impairment of goodwill and investments												**(74,850)**
Other gains and losses (Note 33)												**204,832**
Profit before taxation (continuing operations)												**292,908**
Taxation (Note 26)												**(126,628)**
Profit for the year												**166,280**

At 30 June 2020	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue (Note 29)	–	5,831,387	23,639,420	2,012,895	5,167,808	224,734	1,364,358	602,397	1,419,189	200,471	(3,920,789)	36,541,870
Results												
Segment result	–	(149,459)	590,529	90,776	214,761	(3,910)	(64,376)	24,797	272,116	(445,661)	(64,059)	465,514
Share of results of Associates & Joint Ventures	(28,287)	8,986	107	481,030	–	14,612	–	(1,993)	35,423	58,557	–	568,435
Finance costs (Note 32)												(1,205,216)
Finance income (Note 31)												48,644
Impairment of goodwill and investments												(1,049,375)
Other gains and losses (Note 33)												(26,749)
Profit before taxation (continuing operations)												(1,198,747)
Taxation (Note 26)												(137,345)
Profit for the year												(1,336,092)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2B. Segment profit represents the profit earned by each segment without allocation of finance costs, finance income, share of results of associates and income tax expense.

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

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

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reporting segment.

At 30 June 2021	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Segment assets	**–**	**10,664,632**	**15,049,948**	**3,628,694**	**16,983,898**	**664,426**	**1,336,476**	**7,490,165**	**2,062,917**	**1,441,640**	**(1,215,088)**	**58,107,708**
Investments in:												
Associates (Note 12)	**4,770,300**	**183,634**	**1,480**	**2,817,023**	**–**	**72,499**	**–**	**95,649**	**2,218,591**	**21,516**	**–**	**10,180,692**
Joint ventures (Note 13)	**–**	**13,205**	**–**	**77,745**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**90,950**
Other financial assets (Note 14)	**–**	**26,008**	**4,782**	**1,027,493**	**4**	**19,450**	**1,446**	**16,291**	**–**	**102,299**	**–**	**1,197,773**
Total investments	**4,770,300**	**222,847**	**6,262**	**3,922,261**	**4**	**91,949**	**1,446**	**111,940**	**2,218,591**	**123,815**	**–**	**11,469,415**
Deferred tax assets (Note 7)												**496,147**
Tax assets (Note 26)												**70,467**
Assets classified as held for sale (Note 21)												**838,519**
Consolidated total assets												**70,982,256**
Segment liabilities	**2,439**	**4,115,271**	**7,051,544**	**2,885,807**	**11,764,146**	**484,002**	**1,008,734**	**3,368,020**	**765,780**	**12,808,632**	**(2,209,813)**	**42,044,562**
Deferred tax liabilities (Note 7)												**1,033,829**
Tax liabilities (Note 26)												**59,024**
Liabilities associated with assets classified as held for sale (Note 21)												**373,199**
Consolidated total liabilities												**43,510,614**

At 30 June 2020	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Consolidation adjustments	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
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	(1,948,592)	54,202,786
Investments in:												
Associates (Note 12)	4,375,493	191,388	4,380	2,728,030	–	67,354	–	98,007	1,986,730	21,053	–	9,472,435
Joint ventures (Note 13)	–	13,871	–	102,390	–	795	–	–	–	–	–	117,056
Other financial assets (Note 14)	–	27,815	5,087	752,195	4	1,445	–	–	122,371	–	–	908,917
Total investments	4,375,493	233,074	9,467	3,582,615	4	69,594	–	98,007	2,109,101	21,053	–	10,498,408
Deferred tax assets (Note 7)												588,737
Tax assets (Note 26)												72,265
Assets classified as held for sale (Note 21)												921,518
Consolidated total assets												66,283,714
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 tax liabilities (Note 7)												1,012,712
Tax liabilities (Note 26)												33,633
Liabilities associated with assets classified as held for sale												441,857
Consolidated total liabilities												41,122,999

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

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

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(ii) **Segment assets and liabilities (Continued)**

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than taxes and investments in associates, joint ventures and other financial assets. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

- All liabilities are allocated to reportable segments other than taxes. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(iii) **Other segment information**

Additions to non-current assets (include property, plant and equipment, investment properties, intangible assets and exclude investments, deferred tax assets and right of use assets) and depreciation and amortisation are as follows:

	Agro & Energy	Building & Engineering	Commercial & Distribution	Financial Services	Hospitality & Services	Life & Technologies	Logistics	Property	Seafood	Corporate Services	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021											
Additions to non-current assets	**195**	**704,498**	**504,054**	**286,348**	**1,672,653**	**21,841**	**44,640**	**88,051**	**85,422**	**4,697**	**3,412,399**
Depreciation and amortisation	**19**	**347,354**	**551,716**	**48,452**	**448,066**	**10,647**	**75,743**	**65,072**	**118,731**	**42,243**	**1,708,043**
At 30 June 2020											
Additions to non-current assets	–	426,035	649,000	57,911	865,355	5,553	359,755	339,568	74,621	174,841	2,952,639
Depreciation and amortisation	–	360,215	555,671	39,682	459,970	16,180	94,765	50,819	122,174	39,160	1,738,636

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

39. SEGMENTAL INFORMATION – GROUP (CONTINUED)

(iii) Other segment information (Continued)

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

Cluster	Activity	2021 Rs'000	2020 Rs'000
Building & Engineering	– Contracting & equipment	7,085,570	5,831,387
Commercial & Distribution	– Consumer goods, sale of beverages & chain of supermarkets	24,413,598	23,639,420
Financial Services	– Insurance, leasing and management services	2,098,750	2,012,895
Hospitality & Services	– Hotels operation	2,070,945	5,167,808
Life & Technologies	– Medical research	307,521	224,734
Logistics	– Freight forwarding	1,319,262	1,364,358
Seafood	– Seafood sector	1,555,751	1,419,189
Others		581,350	802,868
Consolidation adjustments		(3,570,805)	(3,920,789)
		35,861,942	36,541,870

Information about major customers

The Group does not have any one single external customer to whom sales of goods and services amounted to 10% or more of the Group's total turnover.

Geographical information

The Group's operations are located in the countries as described below.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	2021 Rs'000	2020 Rs'000
Mauritius	30,956,629	31,085,636
Europe	1,061,589	698,812
USA	92,992	91,730
Madagascar, Comoros, Seychelles & Reunion	2,201,816	2,478,622
Dubai, Africa, Australia & others	1,083,035	1,029,097
Maldives	465,881	1,157,973
	35,861,942	36,541,870

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

40. (LOSS)/EARNINGS PER SHARE

	2021 Rs	2020 Rs
Earnings per share		
Basic and diluted:		
– From continuing and discontinued operations	0.01	(1.75)
– From continuing operations	0.25	(1.62)
– From discontinuing operations	(0.23)	(0.13)

The earnings and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2021 Rs'000	2020 Rs'000
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing and discontinued operations	7,318	(1,191,133)
Earnings for the year attributable to owners of the Company used in calculation of earnings per share – From continuing operations	317,248	(1,101,073)

	2021	2020
Weighted average number of ordinary shares	680,224,040	680,224,040

41. CLIENTS' MONIES

An analysis of clients' money handled by the subsidiaries of the Group is shown below:

THE GROUP	2021 Rs'000	2020 Rs'000
At 1 July	14,204	11,326
Opening balance of subsidiaries acquired	111,999	
Amounts received during the year from clients	144,890	3,303
Amounts disbursed during the year on behalf of clients	(134,544)	(425)
At 30 June	136,549	14,204

The funds are paid into a separate bank account kept solely for the purpose of handling clients' monies.

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

42. SUMMARY OF THE PUBLISHED RESULTS AND OF THE ASSETS AND LIABILITIES OF THE GROUP

	2021 Rs'000	2020 Rs'000
Statements of profit or loss and other comprehensive income		
Revenue	35,861,942	36,541,870
Share of results of associates and joint ventures	757,029	568,435
Profit/(loss) before taxation	292,908	(1,198,747)
Income tax charge	(126,628)	(137,345)
Profit/(loss) for the year from continuing operations	166,280	(1,336,092)
Loss for the year from discontinued operations	(91,355)	(90,060)
Profit/(loss) for the year	74,925	(1,426,152)
Other comprehensive income for the year, net of tax	1,953,025	318,455
Total comprehensive income/(loss) for the year	2,027,950	(1,107,697)
Profit/(loss) attributable to:		
- Owners of the parent	7,318	(1,191,133)
- Non-controlling interests	67,607	(235,019)
	74,925	(1,426,152)
Total comprehensive income/(loss) attributable to:		
- Owners of the parent	1,291,643	(1,014,730)
- Non-controlling interests	736,307	(92,967)
	2,027,950	(1,107,697)
Dividends	299,299	414,937

	2021 Rs'000	2020 Rs'000
Statements of financial position		
Assets		
Non-current assets	52,200,891	49,537,836
Current assets	17,942,846	15,824,360
Non-current assets classified as held for sale	838,519	921,518
Total assets	70,982,256	66,283,714
Equity and liabilities		
Share capital and reserves	15,033,455	14,063,455
Non-controlling interests	12,438,187	11,097,260
Total equity	27,471,642	25,160,715
Liabilities		
Non-current liabilities	27,144,725	22,250,152
Current liabilities	15,992,690	18,430,991
Liabilities associated with assets classified as held for sale	373,199	441,856
Total liabilities	43,510,614	41,122,999
Total equity and liabilities	70,982,256	66,283,714

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

43. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting date which require adjustments or additional disclosures in the financial statements of the Company. As for the Group, the following subsequent events were noted which did not result in any adjustments to the figures as at reporting date:

The Lux Collective

After the reporting date, the Group received a termination notice of one Hotel Management Agreement ('HMA') for a hotel in Maldives. Negotiations, on compensations payable under the HMA ended with the signing of a Deed of Termination of HMA on 30 August 2021.

The Deed of Termination of the HMA fixes the effective termination date to 29 September 2021 and provides for the following payments as full and final settlement for all obligations, claims and liabilities under the HMA:

- full settlement of any sum due on branding, management, marketing and incentive fees up to 29 September 2021;
- refund of unexpired portion of contract asset advance to the client as at termination date;
- full termination compensation fee computed in accordance with the provision of the HMA.

Lux Island Resorts Ltd

(a) On 23 August 2021, Merville Ltd and the MIC have signed a subscription agreement for a financing of Rs 700 million to finance the redevelopment of Lux Grand Baie. The financing is in the form of 70 convertible bond of Rs 10 million each convertible into shares at the end of 9 years after disbursement date with options of early redemption by the issuer.

(b) Sales of villas - Timing of revenues

The Group has started the construction of villas, residences and apartments with the intention of selling these to individuals and companies as part of the Investment Hotel Scheme ("IHS") scheme and these are expected to be completed by the end of November 2021. The arrangement could be considered in the scope of a sale and leaseback transaction and accounted for under IFRS 16 'Leases' or under the scope of IFRS 15 'Revenue from Contracts with Customers'. The Group therefore has a policy choice to either recognise the gain or loss on sale and leaseback arrangement at a point in time (i.e at the date of commencement of the lease) or recognise the revenue over time (based on the percentage completion of those villas, residences and apartments). The Directors have applied judgement in evaluating the options available and have opted to recognise the transaction as a sale and leaseback in line with the requirements of IFRS 16. Therefore, at the lease commencement date (which is the date the Group welcomes its first paying guests), the Group will derecognise all construction costs relating to the villas, residences and apartments incurred up to that date and recognise a right of use asset, a liability and a gain or loss on the rights transferred to the buyer. Construction costs incurred up to the lease commencement date are capitalised as 'Assets in Progress' within Property, Plant and Equipment ("PPE") in accordance with IAS 16 "Property, plant and equipment".

BlueLife Ltd

The following events occurred after the reporting date:

(a) Following the communiqué issued on 5 July 2021, the Company successfully completed a First Tranche of Rs 300 million on a Bond Programme of Rs 500 million.

(b) The sale of Circle Square MotorCity is still under progress. The sales of some units took place in the current financial year. The sale of a significant portion with proceeds of Rs 60 million was completed in August 2021 and the sale of the last 3 units shall be completed before December 2021.

(c) The Company has progressed on the sale of PL Resort Ltd. Since last Annual Report, a Memorandum of Understanding (MOU) was signed in December 2020, a Binging Offer in March 2021 and the Sales and Purchase Agreement (SPA) on 13 July 2021. The Company is awaiting for the realisation of some conditions precedent to complete the transaction.

(d) The Company received the Letter of Intent for the Azuri Smart City dated 5 August 2021 and are working towards receiving the Smart City Certificate by the end of this year. Management and the notary will proceed with the signature of reservation agreements for some projects already launched, with deposits paid to the escrow account.

United Basalts Products Limited (UBP)

On 1 September 2021, the Board of Directors of UBP informed its shareholders and the public in general of its decision to exercise the rights of First refusal of the Company as per the Shareholders' Agreements, further to the intention of Associated International Cement Ltd ('AIC') and Cementia Holding AG ('Cementia') to dispose of the totality of their shares in Drymix Ltd (Drymix), a company engaged in the manufacture and sale of "Ready to use" dry mortar and Pre-Mixed Concrete Limited (Pre-Mixed), a company offering ready-mixed concrete solutions, as follows (the "Transactions"):

(i) Drymix: Acquisition of 17.23% of the shareholding, such that the Company shall thereafter hold 71.83% of Drymix; and

(ii) Pre-Mixed: Acquisition of 51% of the shareholding, such that the Company shall thereafter hold 100% of Pre-Mixed.

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

44. COVID-19 OUTLOOK

COVID-19 affected all the areas of the economy during financial year 2021. Mauritius imposed strict travel restrictions throughout the period under review and underwent a second lockdown in March 2021. As a consequence of the pandemic, all companies within the IBL Group have had to adapt to very challenging circumstances. Some clusters have been more heavily impacted by others. Last year, the Management of IBL Group carried out a risk assessment and identified the hospitality, property development and logistics related businesses as bearing "high COVID-19 risk". These businesses performed in line with projections and have been severely affected. They have been on a virtual standstill with negligeable level of customer activity for the past 12 months due to travel restrictions, border and hotel closures. However, low and medium risk companies have pulled a very satisfactory performance, benefitting from a less strict and shorter lockdown, the implementation of tighter cost control and efficiency measures and the lower impact of one-costs/impairments.

The sectorial review below gives an insight into the performance drivers for the year under review.

Agro and Energy

The sugar cluster of Alteo Ltd has performed much better compared to last year across all locations (Mauritius, Kenya and Tanzania). The segment benefitted from higher sugar prices, increased volumes, lower restructuring costs and more favourable biological assets fair value movement. The energy segment performed better on a like for like basis with improved efficiencies but overall contribution to profitability dropped as one-off gain from the sale of equipment was made in Financial year 2020. The Property cluster benefitted from the sales of serviced plots at Anahita.

Building and Engineering

The sector was heavily impacted by the lockdown and exceptional write-offs in financial year 2020. This year, the main companies within the sector bounced back quicker from the lockdown and benefitted from projects delayed from last year. The shipyard's performance was better despite drop in revenue attributable to the pandemic. Manser Saxon group, the contracting business, achieved improved results through higher turnover and margins. United Basalt Products Ltd better performance is explained by its core business and retail segments which registered higher turnover and profitability.

Commercial and Distribution

This sector improvement was driven mostly by Pick and Buy Ltd (Winner's). Winner's was affected by major one-off costs incurred last year. It has also implemented successful operational efficiency measures in the current year. Profitability of HealthActiv is at par despite pressure on margins and adverse effect of the Rupee depreciation. BrandActiv and PhoenixBev are both impacted by lower sales to the HORECA (Hotels, Restaurants and Cafes) segment. However, PhoenixBev remains resilient due to export sales and enhanced performance of its Reunion operations, as well as favourable exchange rate movements.

Financial Services

Gains on investments helped Eagle Insurance Limited performed better this year. The Bee Equity Partners Ltd, the private equity arm of the Group, witnessed a similar pattern in its investment's portfolio. The profitability of DTOS Ltd decreased due to significant exchange gain realised last year, which did not recur.

Hospitality and Services

The Hospitality sector has been severely impacted by the pandemic and the quasi-closure of borders. The local hotels operated on a partial basis prior to March 2021 and have remained closed since the second lockdown was announced. Maldives showed encouraging results with occupancy rates averaging the normal levels till January 2021 while Reunion operations were affected due to travel restrictions. Advance bookings are showing a positive trend and the occupancy rates are expected to ramp up with the opening of borders and vaccinations rollouts worldwide. LUX* Grand Baie is due to open in November 2021.

Life and Technologies

CIDP post excellent results for the period under review with budget being met despite the ongoing pandemic. Turnover grew significantly while margins have also improved. Profitability for the sector was negatively impacted by IBL Link Ltd which remains affected by the economic downturn. Furthermore, IBL Life Ltd incurred sunk costs due to new initiatives being undertaken.

Logistics

Aviation is among the highly impacted segments with activities markedly lower compared to pre-covid estimates. The freight forwarding business, Somatrans Bollore Logistics Ltd has also seen a decline in activity due to the economic slowdown and higher air/sea freight rates. Logidis transport register's reduced income from the hospitality/tourism sector. The disposal of one vessel during the period resulted in reduced activity for the shipping segment.

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

44. COVID-19 OUTLOOK (CONTINUED)

Property

Bloomage Ltd has delivered in line with expectations. The full year impact of a new commercial building as well as higher rates applied at a newly renovated property explain increase in operating profits. BlueLife Ltd was heavily impacted by border closures and turnover dropped significantly on the back of lower sales of properties. However, the real estate property developer posts an increase in profitability thanks to cost control measures and smaller exceptional impairments.

Seafood

The Seafood sector registered a full year result of Marine Biotechnology Products Cote d'Ivoire. Marine Biotechnology Products Ltd significantly improves sector due to higher margins and turnover. Froid des Mascareignes Ltée warehouse occupancy has, on average, decreased during the period under review but back to normal levels in June 2021.

Future Outlook

Management remains confident of a turnaround of "high COVID-19 risk" companies. Although they are not expected to reach their pre-COVID-19 performance, they should outperform their results for financial year 2021 and 2020 and ramp up capacity gradually in the years to come. The full opening of Mauritian borders in October 2021, a rather successful vaccination campaign both locally and in our main foreign markets, as well as better economic conditions should help the hospitality, property development and logistics related businesses recover to higher levels of activities. Furthermore, low and medium risk companies have already performed satisfactorily this year and should witness a modest improvement in performance owing to a better economic environment.

IBL Group's diverse portfolio of investment will continue to be its major strength and competitive advantage. IBL will continue to develop in key growth sectors with an accelerated focus on international opportunities.

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 Cyril Lagesse Auditorium, 1st Floor IBL House, Caudan Waterfront, Port Louis, on Thursday, 16 December 2021 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 2021, 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 2021, including the Annual Report and the Auditors' Report, be hereby approved."*

2. To appoint Mr. Richard Arlove who has been nominated as Director by the Board and who offers himself for election.

   Ordinary Resolution: *"Resolved that Mr. Richard Arlove be hereby elected as Director of the Company."*

3. To re-elect by rotation, on the recommendation of the Board, Mr. Benoit Lagesse, who offers himself for re-election as Director of the Company.

   Ordinary Resolution: *"Resolved that Mr. Benoit Lagesse be and is hereby re-elected as Director of the Company."*

4. 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."*

5. To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2022 and to ratify the fees paid to the Directors for the year ended 30 June 2021.

   Ordinary Resolution: *"Resolved that the remuneration of the Directors of IBL Ltd for the year ending 30 June 2022 be fixed and the fees paid to the Directors for the year ended 30 June 2021 be hereby ratified."*

6. To appoint, on the recommendation of the Board, Messrs. Deloitte as Auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration.

   Ordinary Resolution: *"Resolved that Messrs. Deloitte be appointed as Auditors of the Company for the ensuing year and that the Board be and is hereby authorised to fix the remuneration of the auditors."*

7. To ratify the remuneration paid to the Auditors for the year ended 30 June 2021.

   Ordinary Resolution: *"Resolved that the remuneration paid to the Auditors for the year ended 30 June 2021 be and is hereby ratified."*

By Order of the Board

Doris Dardanne, FCG

Per IBL Management Ltd
Company Secretary

24 November 2021

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 **Wednesday, 15 December 2021 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 18 November 2021.*
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 16 December 2021 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 2022.*
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.***

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 **Cyril Lagesse Auditorium, 1st Floor IBL House, Caudan Waterfront, Port Louis** on **Thursday, 16 December 2021 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 2021, including the Annual Report and the Auditors' Report, in accordance with section 115(4) of the Companies Act 2001.	☐	☐	☐
2. To appoint Mr. Richard Arlove who has been nominated as Director by the Board and who offers himself for election.	☐	☐	☐
3. To re-elect by rotation, on the recommendation of the Board, Mr. Benoit Lagesse, who offers himself for re-election as Director of the Company.	☐	☐	☐
4. 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.	☐	☐	☐
5. To fix the remuneration of the Directors of IBL Ltd for the year ending 30 June 2022 and to ratify the fees paid to the Directors for the year ended 30 June 2021.	☐	☐	☐
6. To appoint, on the recommendation of the Board, Messrs. Deloitte as Auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration.	☐	☐	☐
7. To ratify the remuneration paid to the Auditors for the year ended 30 June 2021.	☐	☐	☐

Signed this ______ day of ______ 2021.

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 Wednesday, 15 December 2021 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 is a recycled paper produced of 100 % recovered fibre to FSC.

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
- The Austrian Ecolabel, an initiative of the Federal Ministry of Environment in 1990
- Nordic Swan, the official ecolabel of the Nordic countries
- TÜV Austria, a leading certification and inspection company
- Green Brands, an international, independent and autonomous brand evaluation organisation that awards ecologically sustainable brands

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

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