IBL TREASURY LTD

Financial Statements

For the year ended

30 June 2021

IBL TREASURY LTD

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The Directors have pleasure in submitting herewith to the shareholders the audited financial statements of the Company for the year ended 30 June 2021.

The shareholders have unanimously resolved to dispense with the obligation to prepare an Annual Report in accordance to Section 218 (2) of the Companies Act 2001.

By order of the Board of Directors

....
Secretary
IBL Management Ltd

Date: 03 DEC 2021

INTRODUCTION

IBL Treasury Ltd ('IBLTL' or 'the Company'), which is a private company limited by shares incorporated on 7 November 1995 and whose main activity consists of providing treasury services to companies within IBL Group of companies (section 14 of the Financial Services Act 2007 and Financial Services Rules 2008), does not qualify as a public interest entity as defined under the Financial Reporting Act 2004. However, pursuant to the circular letter of the Financial Services Commission issued on 28 October 2021, the Board of Directors of IBLTL took note that even if the Company is a wholly owned subsidiary of IBL Ltd which fully reports on corporate governance matters, the Company has, however, an obligation to comply with the provisions of the National Code of Corporate Governance (2016) for Mauritius ("the Code") and should submit a report in this respect.

The Board of Directors is responsible for leading and controlling the Company and is committed to high standards of business integrity and corporate governance. As such, in line with best practices of good governance and transparency, the Board presents its Corporate Governance Report in this section.

This report addresses the corporate governance framework and compliance of the Company with the disclosure requirements of the Code, which is based on an "apply and explain basis". The Board considers that it has applied the principles of the new Code throughout the year under review and that it will review and monitor this application for continued improvement and adaptation to principles of governance.

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board oversees the operations of the Company through regular Board Meetings held, during which the management of IBLTL presents a review of all the operations of the Company as well as regularly updated financial reports, budgets, capex and forecasts of the Company.

The Board is of opinion that it does not need a specific Board charter given that the Constitution of the Company itself is clear and structured enough to lead the good functioning of the Board. Accordingly, the duties of the Board, the proceedings of the Board as well as the remuneration and other interests of Directors are thoroughly dealt by clauses 24, 25 and 26 of the Company's Constitution. There is no predetermined frequency for reviewing the Constitution and should there be major amendments to the law or should there be necessity to do so to provide for more rigorous governance practices, the shareholder, upon recommendation of the Board, shall amend the Constitution accordingly. A copy of the approved Constitution of the Company has been duly filed with the Registrar of Companies, thus making it available to the public. Moreover, a copy of this Constitution is also available upon written request made to the Company Secretary.

The Board is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. IBLTL being a wholly owned subsidiary of IBL Ltd, the Company relies on the practices implemented by its holding company. Accordingly, in September 2018, the Board agreed to adopt the Code of Business Ethics of IBL Ltd which includes a whistleblowing policy. This Code of Business Ethics has been updated in June 2019 and is available on IBL's website at www.iblgroup.com.

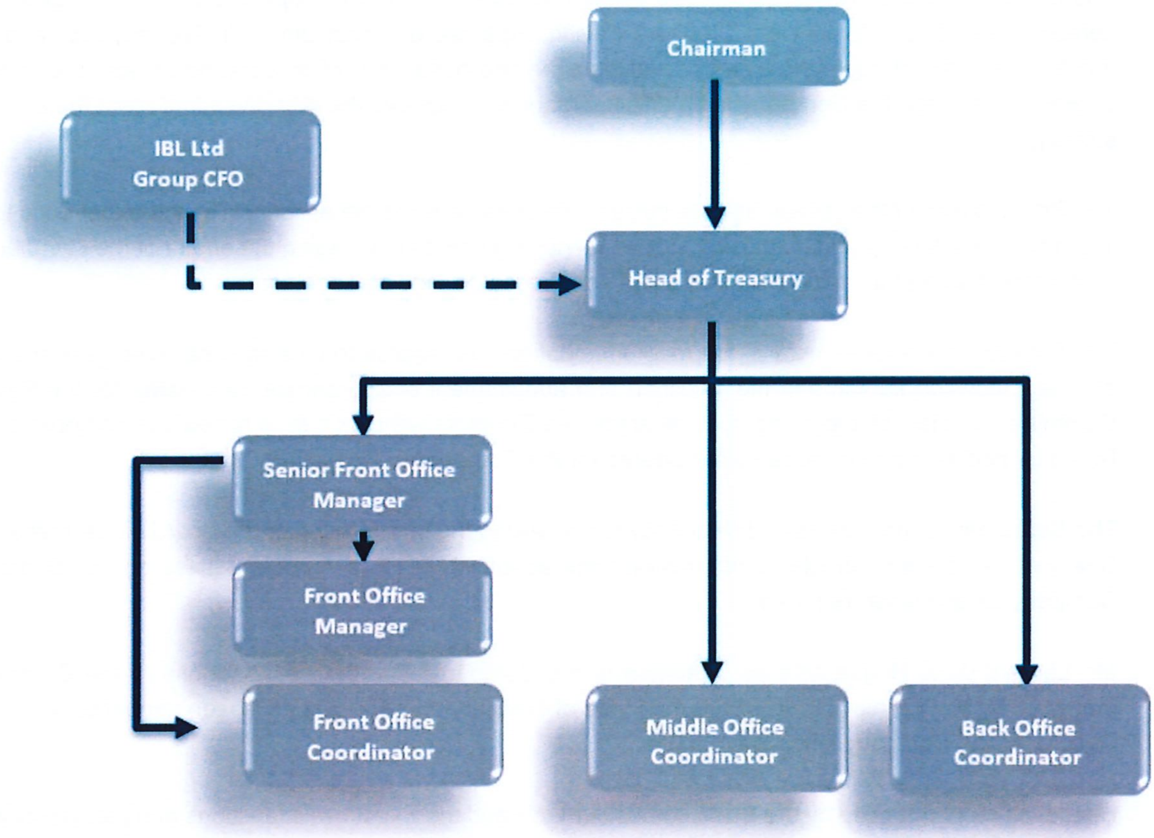
The Board of IBLTL relies on the Human Capital Department of IBL Ltd which took over the management of all employees of IBL corporate office including the employees of IBLTL. Accordingly, the job description of the key senior officer of the Company namely, Mr. Yannick Ulcoq, Head of Treasury, has been reviewed and approved by the relevant structure implemented by the holding company IBL Ltd. The Board of IBL Ltd, in turn, ensures that all human capital structures and policies implemented at holding company's level filters down to all its subsidiaries including IBLTL.

PRINCIPLE 1: GOVERNANCE STRUCTURE (CONT'D)

Organisation chart and statement of accountabilities

The Board of IBLTL is committed to ensuring good governance and is accordingly accountable to the shareholder for the proper management of the Company's affairs. The Directors are committed to achieving and building a sustainable business so as to generate shareholder value. The Board further assumes responsibility for leading and controlling the Company as well as for meeting all legal and regulatory requirements.

The organisation chart of the Company is as follows:



Profile of Senior Management

Refer to profile of Mr. Yannick Ulcoq – Head of Treasury and Board and Risk Committee Member in Principle 2

Mr. Christophe Mamet – Senior Front Office Manager

Christophe holds an MBA Finance 'Salles des marchés, Métiers Trading and Asset Management' – Paris INSEEC – (Institute for higher studies in Economy and Commerce).

Prior to joining IBL Treasury Ltd in 2012 as Assistant Treasurer, Christophe worked as Wealth Management Officer for HSBC and started his career as risk manager for an agricultural commodity fund in Mauritius. With more than 10 years of experience in the financial industry, Christophe sits on the management and investment committee of IBL Pension Fund.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES

The Board of IBLTL is a unitary Board consisting of five independently minded Directors, three of whom are Non-Executive Directors, one is an Independent Non-Executive Director, and one is an Executive Director. The Board is of the opinion that given the current size and scale of complexity of the organisation, the presence of one Executive Director and one Independent Non-Executive Director on the Board is sufficient.

Moreover, in view of ensuring proper balance of power as well as enhancing its performance, the Board also ensures that sufficient Directors have no relationship with the major shareholder nor with the Company itself. Accordingly, 20% of the Board does not have any relationship with the major shareholder of the Company and with the Company itself and the Board consider this as sufficient

The Board considers, that given the size of the Company, its current scope of activities and geographical spread of operation, the current Directors having expertise amongst others in finance, law, and wealth management, are of appropriate calibre and have the appropriate mix of core competencies, knowledge and diversity to manage the Company in an efficient manner to achieve the objectives and meet the established strategy.

The Board is also of the opinion that the current Directors have the necessary skills and experience to assist in providing leadership and exercising independent judgement in managing the affairs of the Company in its best interest as well as in the best interest of its shareholder and stakeholders.

The Directors have taken note of the recommendations as regards to diversity (including gender diversity) and have considered same in the selection and appointment of appropriate candidates for the Board and Committee. In view of improving such diversity, the Directors will continue to review the composition of the Board to identify the most suitable candidates for the Company.

The Board has no predetermined frequency for reviewing the composition of the Board since it relies on the Board of its sole shareholder which reviews the appointment of its representatives on the Board of the Company as and when required.

Mr. Laurent de la Hogue acts as Chairman of the Company. The day-to-day affairs of the Company are managed by Mr. Yannick Ulcoq who is the Head of Treasury and who has also been appointed as Executive Director of the Company since July 2019.

Hence, as recommended by the Code, the Chairman's and the Executive's functions and responsibilities are separate thus ensuring proper balance of power, increased accountability and greater capacity of the Board for independent decision-making. During the year under review there has been no changes in Board composition of the Company.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Directors', Committee Members' and Senior Governance Positions' Profiles

Laurent DE LA HOGUE (Chairman) *(Resident and Citizen of Mauritius)*
Non-Executive Chairman

Appointed as Director on 16 April 2004 and Chairman on 28 November 2011

Laurent de la Hogue holds a Masters' degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' of Paris, France. He completed a Risk Management Programme from INSEAD, Singapore and a General Management Programme from ESSEC Business School. He started his career with an international bank before joining GML Management Ltée in 2001 as Treasurer where he was involved in the setting up of the group central treasury management and in development of projects. He is the Head of Financial Services of IBL Ltd since July 2016. He serves as Director on a number of organisations operating in the industrial, commercial, financial (regulated entities) and investment sectors. He is currently the Non-Executive Chairman of Ekada Capital Ltd, IBL Treasury Ltd and LCF Securities Ltd.

Directorships in listed companies: Lux Island Resorts Ltd and The United Basalt Products Ltd

Dipak CHUMMUN - *(Resident and Citizen of Mauritius)*
Non-Executive Director

Appointed as Director on 20 February 2017

Dipak has spent over 25 years' experience in the financial services industry. He has worked as a management consultant and in corporate and investment banking, finance and strategy. His roles have included regional and group head roles with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank in London, Hongkong, Dubai, Singapore, and Frankfurt. He joined IBL as Group Chief Finance Officer in January 2015. He is or has been a director of several public interest entities, listed and regulated companies, including Alteo, DTOS, Eagle Insurance, Afrasia, Bloomage, Manser Saxon, Seafood Hub, Winners.

He is currently Chairman of the Board of the Stock Exchange of Mauritius and is a director of the Economic Development Board of Mauritius. Dipak has also been an International Advisory Board Member of the ICAEW, based in the UK.

Directorship in listed companies: Alteo Limited

Olivier DECOTTER - *(Resident and Citizen of Mauritius)*
Non-Executive Director and Member of the Risk Committee

Appointed as Director on 4 September 2018

Olivier Decotter holds degrees (maîtrises de droit) in business and private law from Montesquieu University in Bordeaux, France. He later obtained an MBA jointly delivered from Paris Dauphine University and the IAE de Paris. Mr Decotter is a certified Ethics Officer from the Ethics Institute of South Africa.

Mr. Decotter started his career in 2006 at Investment Professionals Ltd (IPRO), a leading Mauritius-based asset management house, where he held the function of Legal & Compliance Officer as well as MLRO. He then joined GML's head office in October 2010 as Legal & Ethics Executive until 30 June 2016. On 01 July 2016, Mr. Decotter became the Group Chief Legal & Ethics Officer of IBL Ltd and thereafter, on 01 July 2017, he was appointed Head of Legal & Corporate Affairs of IBL. As of 1 April 2018, Mr. Decotter was appointed Head of Risk Management & Compliance and Ethics Officer at IBL Ltd. He is a member of the Board of Directors of a number of companies within the IBL Group.

Directorship in listed companies: Nil

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Philippe DE BRAGARD HARDY - *(Resident and Citizen of Mauritius)*
Independent Non-Executive Director and Chairman of the Risk Committee

Appointed as Director on 24 April 2015

Born in 1972, founding member and Managing Director of DMH Associates Ltd. He has a very diversified exposure to finance having held various roles spanning investment management, business development, corporate planning and transaction advisory.

He is the leading partner of DMH Associates Ltd corporate finance advisory services having coordinated and advised on several capital structuring as well as M&A transactions across many industries in the past 17 years, with a particular expertise in dealing with family held enterprises and owner managed businesses of all sizes.

Mr. de Bragard Hardy holds an honours degree in Mathematics and Financial Management and is an Associate of the Royal College of Science of London through the Imperial College of Science, Technology & Medicine. He acts as a director on several public and private companies, chairing audit committees in various instances.

Directorship in other listed companies: Plastic Industry (Mtius) Ltd, Evaco Ltd and Tropical Paradise Ltd.

Yannick ULCOQ – *(Resident and Citizen of Mauritius)*
Executive Director and Member of the Risk Committee

Appointed as Director on 11 July 2019

Appointed as Executive Director since 11 July 2019, Mr. Ulcoq holds a Master's Degree in Finance from the University of Montpellier I and joined GML in 2008 as Assistant Treasurer after having spent a couple of years in the corporate and banking treasury fields.

From 2013 to June 2016, he worked as Treasurer at GML Trésorerie Ltée (now IBL Treasury Ltd) where he was responsible for the cash management and forex dealing operations of subsidiaries and associate companies within the Group. Since July 2016, Yannick is the Head of Treasury for IBL Ltd.

He is a member of the Board of Directors of a number of companies within the IBL Group.

Directorship in listed companies: Nil

For practical reasons, the Board of the Company has decided that only the directorships of Directors in listed companies will be disclosed in the respective profile of each Director. The full directorship list of each Director is filed with the Registrar of Companies each year with the Annual Return of the Company and is therefore publicly available. Moreover, a copy of the complete directorship list of each Director is available upon written request made to the Company Secretary.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Key roles and responsibilities:

Chairman: Mr. Laurent de la Hogue The Chairman of the Board is responsible for interaction with shareholder and stakeholders of the Company. He has the primary function to chair over the meetings of Directors and ensure smooth functioning of the Board in the best interests of good governance. The Chairman provides overall leadership to the Board and encourages the active participation of each director in board discussions and board decisions.	**Executive Director:** Yannick Ulcoq Mr. Ulcoq, the Head of Treasury is responsible for the day-to-day running of operations of the Company. He leads management in implementing the strategic objectives set by the Board.
Non-Executive Directors: Dipak Chummun and Olivier Decotter The Non-Executive Directors ensure that the expected goals and strategy are met.	**Independent Non-Executive Director:** Philippe Hardy The Independent Director ensures alignment with the agreed objectives and strategy. Mr.Hardy also chairs the Risk Committee of the Company.

Company Secretary

IBL Management Ltd which has been appointed Company Secretary since 27 June 2002 provides assistance and information on governance and corporate administration issues. It has the primary responsibility for guiding the Board as to its duties and responsibilities. The Company Secretary also ensures that all Board procedures are followed. IBL Management Ltd is also the share registry and transfers office of the Company.

Board meetings

The Board has three scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business. The Directors are aware of their responsibility for attending these meetings.

Board meetings are convened by giving appropriate notice after obtaining approval of the Chairman. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings.
Moreover, the Board Members have unrestricted access to the records of the Company and have the right to seek independent professional advice at the expense of the Company, to enable it to discharge its responsibilities effectively.

A quorum of 3 Directors is currently required for a Board meeting and in case of equality of votes; the Chairman has a casting vote.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Board meetings (Cont'd)

During the year under review, the Board met three (3) times and considered and approved amongst others the following:

- Amendments to Procedures Manual of the Company
- Audited accounts of the Company at 30 June 2020;
- Corporate Governance Report 2020;
- Budget for year end 2022;
- Amendments to AML/CFT Manual;
- Modus operandi in respect of potential conflict of interest of Head of Treasury function;
- Privacy Notice;
- Dividend declaration.

Board Attendance

The composition of the Board as well as attendance of the individual Directors at the Board meetings held during the financial year ended 30 June 2021 and the remuneration perceived by Directors were as follows:

Directors	Citizen/Resident of Mauritius	Board Meetings Attended	Remuneration and Benefits
Laurent DE LA HOGUE – Chairman	√	3 out of 3	-
Dipak CHUMMUN	√	3 out of 3	-
Olivier DECOTTER	√	3 out of 3	-
Philippe HARDY	√	3 out of 3	Rs 150,000*
Yannick ULCOQ	√	3 out of 3	**

* The Independent Non-Executive Director is entitled to a flat remuneration of Rs 150,000 per year. The other Non-Executive Directors did not receive remuneration from the Company during the year under review.

** The Executive Director is entitled to remuneration which is commensurate with his scope of work. For reasons of confidentiality and due to commercial sensitivity of such information, the individual remuneration of Mr. Yannick Ulcoq is not disclosed.

Board Committees

The Board of Directors is currently assisted and supported by 1 sub-committee namely the Risk Committee to help it in discharging its duties and functions.

This Committee is chaired and composed of experienced members who then report to the Board on activities of the said committee and make recommendations on matters delegated to it according to its Terms of Reference.

The Terms of Reference of this Committee is reviewed by the Board should there be major changes which require same in the composition, processes, duties and responsibilities of the Committee.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Board Committees (Continued)

Given the fact that IBLTL is a wholly owned subsidiary of IBL Ltd, the Board relies on the application of corporate governance practices as enforced by its holding company.

The Board itself has no Audit Committee to debate and deal with audit issues given that these issues are only dealt at the Board level.

Risk Committee

The mission of the Risk Committee is to ensure the Company's compliance with the regulatory framework, adequacy and integrity of its internal procedures, and the monitoring and stress-testing of risk management policies, controls and guidelines.

Composition of the Risk Committee

The Risk Committee is chaired by Mr Philippe Hardy, an Independent Non-Executive Director. The Board of IBLTL believes that Mr. Hardy has the relevant qualifications, experience and expertise in the performance of its duties.

The other members of the Risk Committee are Mr. Yannick Ulcoq, Executive Director and Mr. Olivier Decotter, Non-Executive Director. They both possess the required financial literacy and expertise to sit on this committee.

A quorum of 2 members including compulsorily the Independent Non-Executive Director is currently required for a Risk Committee meeting to be held.

Matters considered amongst others by the Risk Committee in 2020-2021

Regular Matters	Other Matters
The review of the Cash Management activity	Amendments to Procedure Manual and AML/CFT Manual
Forex Transactions calls monitoring and review	Review of report of Compliance Officer, Internal Audit and Money Laundering Reporting Officer ('MLRO')
Other matters	• Review of work from home modus operandi; • Potential conflict of interest of the Head of Treasury function; and • Review of a 'Privacy Notice' for the Company

During the year under review, the Risk Committee has continued to focus on its key objectives; namely overseeing market risks, credit risks, liquidity risk, compliance risk and counterpart risk.

PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES (CONT'D)

Risk Committee Attendance

During the year under review the Committee met on 3 occasions and the attendance report is as follows:

Directors	Citizen/Resident of Mauritius	Risk Committee Meetings Attended
Philippe HARDY – Chairman	√	3 out of 3
Olivier DECOTTER	√	3 out of 3
Yannick ULCOQ	√	3 out of 3

No special remuneration is paid to the members of the Risk Committee by the Company for attending the meetings.

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

In accordance with the Company's Constitution, the Board may fill vacancies or newly-created directorships on the Board that may occur between annual meetings of shareholders, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. Moreover, the Constitution does not provide for the re-election of all Directors each year, at the Company's Annual Meeting. Directors are not appointed at specific intervals.

The ultimate responsibility for the appointment of Directors on the Board of the Company is thus assumed at Board level of IBL Ltd which is entitled to give instructions to the Board of the Company requesting the appointment and removal of their nominee Directors on the Board. Their requests are then duly considered and formally ratified by Board or Shareholders resolution agreed by all relevant parties. Moreover, IBLTL being licenced by the Financial Services Commission (FSC), the appointment of Directors on the Board is subject to its approval.

Given the fact that appointments to the Board are of the prerogative of the holding company, the Board of IBLTL relies on its holding company namely IBL Ltd with regard to succession planning issues at Board and senior position levels. In turn, the Board of IBL Ltd, assumes the responsibility for the succession planning of all its subsidiaries.

Moreover, at operational level, the Board of IBLTL has delegated to the Head of Treasury the responsibilities to implement relevant measures to ensure business continuity.

The Board has the responsibility to ensure proper induction of newly appointed Directors to the Board. Accordingly, as part of the induction process, upon appointment, newly appointed Directors receive a complete induction pack from the Company Secretary, as well as a leaflet on his/her duties and responsibilities as Director.

Since it remains the underlying responsibility of the shareholder of the Company to appoint Directors to the Board, the professional development and ongoing education of Directors is ensured by IBL Ltd.
Moreover, as part of the requirements and obligations in respect to Anti-Money Laundering and Combatting of Financial Terrorism (AML/CFT) laws and regulations, in July 2021, IBLTL in collaboration with its MLRO, organised an AML/CFT training session for its directors and relevant staff. Finally, some correspondence is addressed by directors to the Secretary confirming that they followed continuous professional development during the year under review.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors are aware of their legal duties since once appointed they receive a complete induction pack which include amongst others the following documents:

- The Company's Constitution detailing amongst others the powers & duties of the Board and Directors (clause 24);
- Extract of Companies Act 2001 listing the duties and responsibilities of Directors;
- Latest financial statements of the Company including corporate governance section;
- Calendar of meetings for the year;
- Statutory information about the Company.

The Board relies on the board of its holding company with regards to the review of the code of business ethics and the board of the ultimate holding company in turn ensures that any updates to this code filters down to its subsidiaries for adoption.

There is no conflict of interest between the Directors and the Company and in the event of such happening, the Directors are requested to declare formally their interest during Board Meetings should an issue or transaction be in conflict with the Director personally or by virtue of their other directorships on other boards of other companies. Accordingly, the first item of the agenda of each Board Meeting of the Company deals with declaration of interests of Directors. Such declarations are officially inserted in the minutes of meetings. Pursuant to a shareholder's resolution passed on 30 June 2006, the Company being a private one, has been formally dispensed under Section 271 of the Mauritius Companies Act 2001 to maintain an interest register. At a Board meeting held in June 2021, the Board also approved a modus operandi with regard to the management of potential conflict of interest that may arise in the function of the Head of Treasury of the Company.

Even if the Board has not yet adopted a specific policy with regard to management of conflict of interest, the Board nevertheless confirms that the Company complies with IAS 24 Related Party Disclosures. Moreover, the management of conflict of interest is regulated by clause 26.3 of the Company's Constitution itself.

Information, Information technology and information security governance policies

The Board of the Company relies on the measures and processes implemented by the holding company IBL Ltd which is responsible for the information governance within IBL Group. Accordingly, the IT Department of IBL Group has been delegated the responsibility to implement the relevant measures and processes with regard to information governance. The Board of IBL Ltd then ensures that all the policies implemented by its IT Department filters down to all its subsidiaries including IBLTL.

The Company adheres to all policies and guidelines of IBL Ltd. This is also applicable for the Data Protection Policy which is adhered to. Olivier Decotter, Member of the Board, acts as the Data Protection Officer (DPO) for the Company.

The relevant disclosures with regard to the implementation of such policies are therefore disclosed at holding company's level.

Remuneration Policy

No emoluments were paid by the Company to the Non-Executive Directors of the Company. The Independent Non-Executive Director namely Mr. Philippe Hardy is entitled to a flat fee of Rs 150,000 per annum.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Remuneration Policy (Cont'd)

The remuneration of Mr. Hardy is fixed and approved at the Annual Meeting of the sole shareholder of the Company.

The Executive Director is entitled to a remuneration which is commensurate with his scope of work and responsibilities

The Company, being under Management Agreement with its holding Company IBL Ltd, abides by its remuneration framework to ensure that individual and joint contributions to the Company's results are properly rewarded.

Except for the Head of Treasury, who is entitled to participate to IBL Ltd Long-Term Incentive Scheme, the Company itself has no long-term incentive plan for its employees.

Board and Directors evaluation

No evaluation of the performance of the Board was conducted in the past. However, in view of reinforcing good governance practices, the Board will consider carrying on such appraisal in the future. Given the size of the Board and the structure of the Company, should such appraisal be launched, the Board is of opinion that no independent board evaluator would be employed. This appraisal would be done by submitting a well-structured questionnaire to Directors for completion and onward submission to the Company Secretary in view of computing the results and submitting them to the Board for consideration.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

In April 2013, the Board has approved the creation of a Risk Committee to which it has delegated the responsibility for ensuring compliance with the procedures manual of the Company, the monitoring and review of the integrity of risk management policies together with controls and guidelines and the implementation of new standards in an effort to ensure compliance with evolving best practices.
The Board has the duty to monitor the exercise of the powers delegated to the Risk Committee.

The Risk Committee Members meet on a regular and or ad-hoc basis. Decisions are taken unanimously whilst an Independent Non-Executive Member is required for Committees to be held.

Risk Management and Internal Control

The Committee reviews matters that have a potential impact on the business of the Company. The Committee will review executive management reports detailing the adequacy and overall effectiveness of IBLTL's risk management function and its implementation by management and reports on internal control and any recommendations and confirm that appropriate actions have been taken.

The Committee also reviews the risk philosophy, strategy and policies recommended by management and consider reports by management. The Committee ensures compliance with such policies, and with the overall risk profile of the Company.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL (CONT'D)

Risk Management and Internal Control (Cont'd)

The Risk Committee ensures that the Company is operating under the conditions set out in its Treasury Management License issued by the Financial Services Commission and as per the procedures detailed in the Procedures Manual and the mandate given by its clients.

Nonetheless, any decision taken by the Risk Committee shall be reported to the Board.

The Board is ultimately responsible for the Company's system of internal control, which is designed to provide reasonable assurance against material misstatement and loss. The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. Most significant risks include:

- Financial
- Operational
- Compliance and AML

The Board of Directors has approved the nomination of a Compliance Officer who has the following responsibilities:

- Independently evaluating and updating the AML/CFT policies and procedures, adapted to such guidelines issued by the regulatory authorities and other relevant legislations;
- Providing on-going monitoring of IBLTL's compliance to AML/CFT control procedures through sample testing and issuing quarterly compliance reports to IBLTL's management and Board of Directors;
- Issuing exceptional follow up compliance reports, upon such demand from IBLTL's management or Board of Directors or regulatory authorities;
- Assist IBLTL's management in the client onboarding process by conducting a due diligence check on prospective clients with a claimed high risk profile and in responding to requests for information from regulatory authorities and handling of regulatory visits; and
- Acting as an independent mediator in cases of conflicts of interest.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Statement of Directors' Responsibilities in Respect of the Preparation of Financial Statements

Directors confirm that they are aware of their legal duties and accountabilities and acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;

(ii) the preparation of financial statements which fairly present the state of affairs of the Company, results as at the end of the financial year and the cash flows for that period and which comply with International Financial Reporting Standard (IFRS);

(iii) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

PRINCIPLE 6: REPORTING WITH INTEGRITY (CONT'D)

The Directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified.

(iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for any non-compliance.

~~**Chairman**~~
Director

Dated this: 03 DEC 2021

Director

PRINCIPLE 7: AUDIT

The Board considers that the Company itself does not need an Audit Committee since all figures, budgets, financial forecasts and statements are dealt at Board level, given the simple structure and scale of operations of the Company.

External Audit

External audit fees during the year were as follows:

	30 June 2021	30 June 2020
	Rs	Rs
Audit fees	476,000	308,000

Management accounts are regularly reviewed by the Board of Directors and the annual financial statements of the Company are approved after final review from the external auditors. Once approved, the accounts are filed with the Financial Services Commission.

The Board relies on the IBL Group policy with regard to the choice of the external auditors of the Company. Following IBL Group policy concerning the rotation of auditors, the Board considered the change of auditors in September 2018 and recommended to the sole shareholder the appointment of Ernst & Young as auditors of the Company. The external auditors are prohibited from providing non-audit services where their independence might be compromised by later auditing their own work. Any other non-audit services provided by the external auditors are required to be specifically approved by the Board of Directors.

Internal Audit

The Board considers that given the size and structure of the Company and further taking into consideration that the scope of its intra-Group activities follows extensive internal controls procedures, it is considered that the oversight of the Board is appropriate in that regard for the Company on a regular basis.

However, during the course of the financial year under review, the Company has benefited from a Group Internal Audit exercise with findings and advisory points around the following areas: risk management process, treasury advisory services and effectiveness of work from home.

Internal audit assignments conducted by IBL Ltd's Head of Internal Audit are carried out by IBL's team and are scheduled on an annual basis. The Head of Internal Audit reports directly to the Audit and Risk Committee of IBL Ltd.

The internal auditors maintain an open and constructive communication channel with the executive management. This reporting structure allows the internal auditors to remain independent and report all items of significance to the Board of the Company and the Audit and Risk Committee of IBL Ltd.

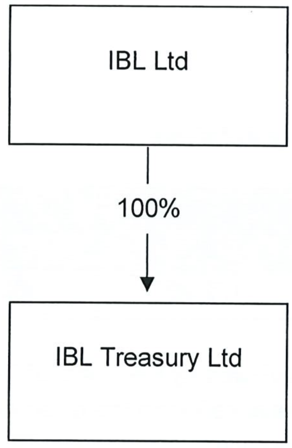
There was no restriction imposed on the internal audit function to have access to records, management or employees of the Company.

Internal audit assignments are carried out in accordance with the Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors.

PRINCIPLE 8: RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at 30 June 302021 was as follows:



The stated capital of the Company amounts to Rs 2,500,000 made up of 250,000 ordinary shares of Rs 10. The shareholding structure of IBLTL at 30 June 2020 is as follows:

Name of Shareholder	Class of Share	No. of shares held	% Shareholding
IBL Ltd	Ordinary	250,000	100%
TOTAL		**250,000**	**100%**

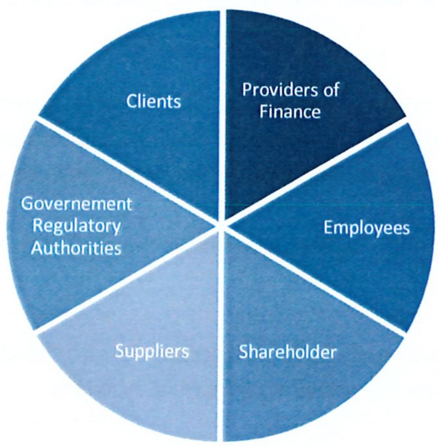
AGREEMENTS

IBLTL has a joint Service Level Agreement with IBL Management Ltd and IBL Ltd for the provision of corporate services such as but limited to, secretarial services, accounting, legal, communication & assistance of the Chairman of the Board of Directors.

The Company has a service agreement with DTOS Ltd which, provides service of Compliance Officer as well as Money Laundering Reporting Officer to IBLTL.

With the exception of the above, to the best knowledge of the Company Secretary, no major agreements, other than those in the ordinary course of business, were contracted by the Company during the year under review.

The main stakeholders of the Company are:



PRINCIPLE 8: RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

AGREEMENTS (CONT'D)

The stakeholders have been involved in a dialogue on its organisational position. The Board of the Company understands that communication to the sole shareholder about matters pertaining to the Company is of great importance and ensures that information is delivered in an open, transparent and meaningful manner.

IBLTL's relevant stakeholders and shareholder are kept informed of development, performance and outlook on a regular basis as follows:

- Employees through the Human Capital Function and regular communiqués.
- Transmission of Annual Financial statements to Financial institutions, Government Regulatory Authorities and sole shareholder;
- Regular Reporting to shareholder and government regulatory authorities;
- Communication to clients and suppliers of major internal changes; and
- Regular Board meetings where the shareholder is represented.

Moreover, during regular Board Meetings where the sole shareholder is strongly represented, detailed reports are submitted to each Director on timely basis and these Directors, in turn, provide regular feedback to the Board of IBL Ltd. Finally, transactions to be treated at Annual Meeting of the sole shareholder are dealt with and decided each year by way of a written resolution circulated to the sole shareholder of the Company in lieu of holding Annual Meeting.

Furthermore, relevant statutory documents including financial statements and annual returns are duly filed with the relevant authorities thus making information publicly available to any potential stakeholder. Finally, even if the Company itself does not have a dedicated website, all important documents such as:

- Constitution of the Company;
- Latest financial statements including corporate governance section;
- Organizational chart;

are available on a dedicated section on the holding company's website: www.iblgroup.com

Share Price Information

As the Company is not listed on the Stock Exchange of Mauritius, no specific information is available as to the share price.

Other Statutory Disclosures under the Mauritius Companies Act 2001

As per a Shareholder's Resolution dated 30 June 2006, the Company need not comply with Section 219 to 221 of the Companies Act 2001.

Important upcoming events are as follow:

• Written resolution in lieu of holding Annual Meeting of Shareholders	November 2021
• Financial year end	30 June 2021

PRINCIPLE 8: RELATIONSHIP WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONT'D)

AGREEMENTS (CONT'D)

Dividend Policy

The Company has for objective to maximise shareholder's value. Payment of dividends is subject to the profitability and the free cash flow of the Company. For the year under review, a dividend of Rs 48 per share was declared (2020: Rs 40 per share).

The Board accordingly reviews the solvency and liquidity position of the Company on a yearly basis.

Political Donations

The Board confirms that there were no political donations during the financial year under review. (2020: Nil).

Charitable Donations

Over and above the CSR contribution obligation of 2% of the Company's chargeable income, the Company did not make any other donation (2020: Nil).

Related Party Transactions

Please refer to note 15 of the financial statements.

Employee Benefit Liabilities

Please refer to note 14 of the financial statements.

Social, Safety, Health and Environmental Issues

These issues are dealt with at the level of the holding company, IBL Ltd.

……………………………………

~~Chairman~~
Director

……………………………………
Director

Dated this ……………………………

Statement of Compliance

Name of the Company IBL Treasury Ltd ('IBLTL' or 'the Company')

Reporting Period: 30 June 2021

Throughout the year ended 30 June 2021, to the best of the Board's knowledge, the Company has complied with the Corporate Governance Code for Mauritius (2016). The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

~~Chairman~~
Director

Date: 03 DEC 2021

Director

IBL TREASURY LTD

CERTIFICATE FROM THE COMPANY SECRETARY UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of IBL Treasury Ltd (the "Company") under the Companies Act 2001 for the year ended 30 June 2021.

....

For IBL Management Ltd

Date: 03 DEC 2021

Building a better working world

Ernst & Young Mauritius
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Cybercity, Ebene
Mauritius

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBL TREASURY LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IBL Treasury Ltd (the "Company") set out on pages 7 to 34 which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the separate financial statements, including significant accounting policies.

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

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 Financial Statements section of our report. We are independent of 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 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 Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "IBL Treasury Ltd Financial Statements for the year ended 30 June 2021", which includes the Annual Report, Corporate Governance Report and the Certificate from the Company Secretary as required by the Companies Act 2001. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Services Commission' Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance 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 Corporate Governance Report, the Company has complied with the requirements of the Code.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBL TREASURY LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBL TREASURY LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the 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.

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

Roger de Chazal

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

Date: 03 December 2021

IBL TREASURY LTD
STATEMENT OF FINANCIAL POSITION - 30 JUNE 2021

	Notes	2021	2020
ASSETS		Rs	Rs
NON-CURRENT ASSETS			
Property, plant and equipment	3	**147,923**	224,441
Deferred tax assets	7(a)	**98,377**	214,299
Right of use assets	4	**2,244,159**	-
		2,490,459	438,740
CURRENT ASSETS			
Trade and other receivables	5	**4,822,159**	3,681,236
Cash and cash equivalents	8	**25,154,814**	21,391,686
		29,976,973	25,072,922
TOTAL ASSETS		**32,467,432**	25,511,662
Stated capital	6	**2,500,000**	2,500,000
Retained earnings		**20,230,207**	18,429,503
TOTAL EQUITY		**22,730,207**	20,929,503
NON-CURRENT LIABILITIES			
Employee benefit liabilities	14	**652,500**	1,381,265
Lease liabilities	4	**1,812,377**	-
		2,464,877	1,381,265
CURRENT LIABILITIES			
Other payables	9	**5,203,157**	2,118,187
Lease liabilities	4	**453,209**	-
Income tax payable	13(a)	**1,615,982**	1,082,707
		7,272,348	3,200,894
TOTAL LIABILITIES		**9,737,225**	4,582,159
TOTAL EQUITY AND LIABILITIES		**32,467,432**	25,511,662

Approved by the Board of Directors and authorised for issue on 03 DEC 2021

Name	**Signature**	
Yannick Ulcoq	............)	
Dipak Chummun	............)	**DIRECTORS**

The notes on pages 11 to 34 form an integral part of the financial statements.
The auditor's report is on pages 4 to 6.

IBL TREASURY LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPEHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		Rs	Rs
Revenue from contract with customers	10	**33,269,914**	28,628,406
Administrative expenses	12	**(17,673,624)**	(18,353,856)
Operating profit		**15,596,289**	10,274,550
Finance income	11	**220,568**	227,070
Profit before tax		**15,816,857**	10,501,620
Tax expense	13(b)	**(2,752,566)**	(1,968,905)
Profit for the year	12	**13,064,292**	8,532,715
Items that will not be reclassified subsequently to profit or			
Remeasurement of employee benefit liabilities	14	**887,244**	(233,520)
Deferred tax on remeasurement of employee benefit liabilities	7(a)	**(150,831)**	39,698
Total comprehensive income/ (loss)		**736,413**	(193,822)
Total comprehensive income for the year		**13,800,704**	8,338,893

The notes on pages 11 to 34 form an integral part of the financial statements.
The auditor's report is on pages 4 to 6.

IBL TREASURY LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Stated capital Rs	Retained earnings Rs	Total Rs
At 1 July 2019		2,500,000	20,090,611	22,590,611
Profit for the year		-	8,532,714	8,532,714
Other comprehensive loss for the year		-	(193,822)	(193,822)
Total comprehensive income for the year		-	8,338,892	8,338,892
Dividend	16	-	(10,000,000)	(10,000,000)
At 30 June 2020		**2,500,000**	**18,429,503**	**20,929,503**
At 1 July 2020		2,500,000	18,429,503	20,929,503
Profit for the year		**-**	**13,064,292**	**13,064,292**
Other comprehensive income for the year		**-**	**736,413**	**736,413**
Total comprehensive income for the year		**-**	**13,800,704**	**13,800,704**
Dividend	16	**-**	**(12,000,000)**	**(12,000,000)**
At 30 June 21		**2,500,000**	**20,230,207**	**22,730,207**

The notes on pages 11 to 34 form an integral part of the financial statements.
The auditor's report is on pages 4 to 6.

IBL TREASURY LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**15,816,857**	10,501,620
Adjustments for:			
Movement in employee benefit liabilities	14	**158,479**	135,228
Finance income	11	**(220,568)**	(227,070)
Depreciation on right of use assets	4	**204,014**	-
Interest expense on lease liability	4	**46,108**	-
Depreciation on property, plant and equipment	3	**106,468**	101,928
		16,111,360	10,511,705
Working capital adjustments:			
Decrease in trade and other receivables		**(1,140,923)**	597,830
(Decrease)/increase in other payables		**3,084,970**	(373,330)
CASH GENERATED FROM OPERATIONS		**18,055,406**	10,736,205
Tax refund	13	**-**	336,804
Tax paid	13	**(2,254,201)**	(962,363)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**15,801,205**	10,110,646
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	3	**(29,950)**	(122,889)
Debt instruments acquired during the year		**-**	(39,889,401)
Debt instruments matured during the year		**-**	52,000,000
Interest received		**220,568**	-
NET CASH GENERATED FROM INVESTING ACTIVITIES		**190,618**	11,987,711
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability	4	**(228,696)**	-
Dividend paid	16	**(12,000,000)**	(10,000,000)
NET CASH USED IN FINANCING ACTIVITIES		**(12,228,696)**	(10,000,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**3,763,128**	12,098,357
CASH AND CASH EQUIVALENTS AS AT 01 JULY	8	**21,391,687**	9,293,330
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	8	**25,154,814**	21,391,687

The notes on pages 11 to 34 form an integral part of the financial statements.
The auditor's report is on pages 4 to 6.

1 INCORPORATION AND ACTIVITIES

IBL Treasury Ltd (the "Company") is a private company registered in Mauritius whose business involves provision of treasury management and services to a network of companies. The head office is located at IBL House, Caudan Waterfront, Port Louis.

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

In the current year, the Company has applied all of the new and revised standards and interpretations issued by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2020.

2.1 Revised Standards applied on the financial statements

The following revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

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

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but 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)
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)

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

2.2 New and revised Standards in issue but not yet effective (Continued)

The Company is still assessing the potential impact of those standards and amendments to existing standards on its financial statements. The Company 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 consolidated financial statements of the Company.

2(B) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements are prepared on the historical cost basis and in accordance with International Financial Reporting Standards ("IFRS").

The functional currency of the Company has been determined as being Mauritian Rupees ("Rs"), by reference to the primary economic environment in which the company operates. The presentation currency is also Rs.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. This cost includes replacement costs for a portion of the asset when they are incurred in addition to the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the asset:

Office furniture	- 10 years
Computer equipment	- 3 years

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.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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 Company's business model for managing them. Accordingly, the 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 Company's business model for managing them. 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 Company'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 Company 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.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at amortised cost (debt instruments) (Continued)

Amortised cost and effective interest method

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

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

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. 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. The Company classifies its investment in Treasury bills, trade and other receivable (excluding prepayments) and cash and cash equivalents under this category.

Impairment

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 where applicable. 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 Company apply the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets (Continued)

Impairment (Continued)

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

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

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company 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 Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

(ii) Definition of default

The Company considers 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 Company 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 Company's recovery procedures. Any recoveries made are recognised in profit or loss.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) 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.

(e) 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 Company's financial liabilities includes lease liability and other payables.

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 Company 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 Company has not designated any financial liability as at fair value through profit or loss.

Amortised cost

This is the category most relevant to the Company. 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..

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Derecognition of financial assets and liabilities

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Taxes and deferred taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior periods 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 by the reporting date.

Deferred taxes

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences and deferred income tax assets are recognised for all deductible temporary differences, to the extent that it is probable that sufficient taxable profit will be available against which those deductible temporary differences can be utilised.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxes and deferred taxes (Continued)

Deferred taxes (Continued)

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.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

Corporate Social Responsibility

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

(h) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount 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.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down 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.

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 of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non-financial assets (Continued)

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in statement of profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued with the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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.

(j) 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.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Revenue recognition (Continued)

Revenue for providing treasury management and other related services to local companies 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.

(k) Foreign currencies

In preparing the financial statements, transactions denominated in a currency other than the functional currency of the entity (foreign currency) are recorded using the exchange rate prevailing at the transaction date. At each reporting date, monetary items denominated in foreign currencies are translated using the exchange rate prevailing at the reporting date. Non-monetary items carried at fair value and denominated in foreign currencies are translated using the exchange rates prevailing on the date the fair value was determined. Non-monetary items that are measured at historical cost and denominated in foreign currencies are not reconverted. Foreign exchange differences are recognised in administrative expenses in the statement of profit or loss and other comprehensive income.

(l) 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.

(m) Employees benefit liabilities

Defined contributions schemes

Payments to defined contribution retirement plans are charged as an expense when employees have rendered service entitling them to the contributions. The employee benefit liabilities recognised in the statements of financial position represents the actual deficit or surplus in the Company'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.

Other retirement benefits

The present value of other retirement benefits as provided under Workers' Rights Act 2019 recognised in the statement of financial position as a non-current liability and is not funded.

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

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

The Company 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.

2(B) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employees benefit liabilities (Continued)

State plan

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

(n) *Leases*

The Company 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 Company 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:

- Motor vehicles 5 years

Lease liabilities

At the commencement date of the lease, the Company 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.

In calculating the present value of lease payments, the Company 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.

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2(C) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Significant accounting judgements and estimates

Judgements

In the process of applying 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

Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern (including any potential impact of the Covid-19 pandemic). Hence, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

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.

Employees 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 secondary market near year end is appropriate to determine the discount rate for the Company's defined benefit pension plan. Refer to note 14 for further details.

Calculation of loss allowance

Provision for impairment and doubtful debts

Credit risk

The Company assesses the credit risk based on the current liquidity position of its customers by considering the availability of financial inputs. Refer to Note 2(B)(c) for a detailed depiction of the credit risk assessment in relation to trade receivables.

Loss allowance on trade receivables

The Company has used a provision matrix to calculate ECLs for trade receivables. The provision rates were based on days past due considering various customer segments that have similar loss patterns. However, given that all trade receivables have a credit period of only 30 days, there were no default rates which were observed. The Company nonetheless calibrated the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, changes in the forward-looking estimates are analysed. Refer to note 5 for further details.

2(C) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Significant accounting judgements and estimates (Continued)

<u>Leases</u>

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease. In making this judgement, the Company evaluates whether it is reasonably certain to exercise the option to renew or break the lease term. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal and the circumstances and facts for each lease including past experience to determine the likely lease term and whether the break option is likely to be exercised. This includes an assessment on the length of time remaining before the option is exercisable, current trading conditions and future trading forecasts on the ongoing profitability of the business. After the lease commencement date, the Company 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.

<u>Estimating the incremental borrowing rate</u>

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities in Note 4. The IBR is the rate of interest that the Company 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 Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

3. PROPERTY, PLANT AND EQUIPMENT

	Office furniture Rs	Computer equipment Rs	Total Rs
COST			
At 01 July 2019	296,500	543,550	840,050
Addition	-	122,889	122,889
At 30 June 2020	296,500	666,439	962,939
At 01 July 2020	296,500	666,439	962,939
Addition	-	29,950	29,950
At 30 June 2021	**296,500**	**696,389**	**992,889**
DEPRECIATION			
At 01 July 2019	177,898	458,673	636,570
Charge for the year	29,650	72,278	101,928
At 30 June 2020	207,548	530,951	738,499
At 01 July 2020	207,548	530,951	738,499
Charge for the year	29,650	76,818	106,468
At 30 June 2021	**237,198**	**607,769**	**844,967**
NET BOOK VALUE			
At 30 June 2021	**59,302**	**88,619**	**147,923**
At 30 June 2020	88,952	135,488	224,440

4. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Company has a lease contract for a motor vehicle used in its operations. The lease has a lease term of 5 years. The Company's obligations under its lease is secured by the lessor's title to the leased asset. Generally, the Company is restricted from assigning and subleasing the leased asset.

Set out below are the carrying amounts of right of use assets recognised and the movements during the year.

(a) Right of use assets

	Motor vehicles
	Rs
At 1 July 2020	-
Additions	2,448,174
Disposal	-
Depreciation	(204,014)
At 30 June 2021	**2,244,159**

(b) Lease liabilities

At 1 July 2020	-
Additions	2,448,174
Payments	(228,696)
Accretion of interest	46,108
At 30 June 2021	**2,265,587**
Analysed between:	
- current liabilities	453,209
- non-current liabilities	1,812,377
	2,265,587
Recognised in profit or loss:	
Depreciation expense of right of use assets	204,014
Interest expense on lease liabilities	46,108
	250,123

The effective interest rate at the end of reporting date for motor vehicles was 4.75%.

5. TRADE AND OTHER RECEIVABLES

	2021 Rs	2020 Rs
Trade receivables	**4,280,370**	3,068,338
Other receivables	**484,789**	537,898
Prepayments	**57,000**	75,000
	4,822,159	3,681,236

All customers are from IBL Group. Before accepting any new customer, the Company assesses the potential customer's credit quality and defines credit limits by customer and these are reviewed on a regular basis. Amount due from related companies of Rs 4,280,370 (2020: Rs 3,068,338) are unsecured and interest free. All trade receivables have a credit period of 30 days. For the year ended 30 June 2021, the ECL is not material as there had been no significant increase in credit risk for credit exposures and the amounts are still considered as recoverable.

The Company has made an assessment of the loss allowance for trade receivables by 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 reporting date. Additionally, there is no history bad debts written off. As a result, the impact of the expected credit loss (loss allowance) is insignificant.

Of the total trade receivables at the reporting date, an amount of Rs 3,763,063 (2020: Rs 2,555,225) was owed by the five largest customers of the Company, while the largest of them represented 63% (2020: 33.73%) of total amount receivable.

Ageing of past due but not impaired

	2021 Rs	2020 Rs
Not yet due	**2,546,341**	1,349,604
1-30 days	**219,967**	1,239,934
30-60 days	**301,507**	72,590
60-90 days	**139,030**	54,186
90-120days	**728,526**	7,024
More than 120 days	**345,000**	345,000
	4,280,370	3,068,338

6. STATED CAPITAL

	2021 Rs	2020 Rs
Issued and fully paid		
250,000 shares at Rs 10 each	**2,500,000**	2,500,000

Each share is entitled to a voting right as well as dividend distribution. On winding up of the Company, each share is entitled to surplus assets.

7. DEFERRED TAXATION

(a) Deferred taxation

Deferred tax is calculated at the rate of 17% (2020: 17%) on all temporary differences between the carrying amounts of assets and liabilities within the financial statements and the corresponding tax values used in computing taxable income.

	2021	2020
	Rs	Rs
At 1 July	**214,299**	150,168
Charge to profit or loss (note 13)	**34,909**	24,433
(Charge)/credit to other comprehensive income	**(150,831)**	39,698
At 30 June	**98,377**	214,299

(b) Deferred tax assets and liabilities and movement in deferred tax are attributable to the following items:

2021	**At 1 July 2020**	**Charge to profit or loss**	**Charge to other comprehensive income**	**At 30 June 2021**
	Rs	**Rs**	**Rs**	**Rs**
Accelerated tax depreciation	**(20,517)**	**4,324**	**-**	**(16,193)**
Right-of-use	**-**	**3,643**	**-**	**3,643**
Employee benefit liabilities	**234,816**	**26,941**	**(150,831)**	**110,926**
	214,299	**34,909**	**(150,831)**	**98,377**

2020	At 1 July 2019	Charge to profit or loss	Charge to other comprehensive income	At 30 June 2020
	Rs	Rs	Rs	Rs
Accelerated tax depreciation	(21,960)	1,443	-	(20,517)
Employee benefit liabilities	172,129	22,989	39,698	234,816
	150,169	24,432	39,698	214,299

8. CASH AND CASH EQUIVALENTS

	2021	2020
	Rs	Rs
Cash at bank	**25,154,814**	21,391,687

9. OTHER PAYABLES

	2021	2020
	Rs	Rs
Amount due to related parties (refer to note 15)	**113,500**	56,000
Other payables	**5,089,657**	2,062,187
	5,203,157	2,118,187

Amounts due to the related parties are unsecured, interest free and repayable on demand.

10. REVENUE FROM CONTRACT WITH CUSTOMERS

	2021	2020
	Rs	Rs
Commission income	**25,039,092**	18,282,106
Advisory and other related income	**8,230,822**	10,346,300
	33,269,914	28,628,406

Revenue from contract with customers is recognised at a point in time.

11. FINANCE INCOME

	2021	2020
	Rs	Rs
Interest income on treasury bills	-	227,070
Interest on deposit with IBL Ltd	**220,568**	-
	220,568	**227,070**

The Company did not invest in teasury bills and there has been a deposit of Rs 22M with the holding company at a rate of 1.4% during the year ended 30 June 2021.

12. PROFIT FOR THE YEAR

	2021	2020
	Rs	Rs
Profit for the year is arrived at after charging:		
Staff costs (Note (a))	**12,979,261**	13,594,282
Depreciation on property, plant and equipment (Note 3)	**106,468**	101,928
Depreciation on right of use (Note 4(a))	**204,014**	-
Interest on lease liability (Note 4(b))	**46,108**	-
Management fees	**3,000,000**	3,000,000

(a) Staffs costs are analysed as follows:

	2021	2020
Staff costs	**9,518,042**	10,165,656
Pension costs and other benefits	**3,461,219**	3,428,626
	12,979,261	13,594,282

13. TAXATION

Income tax is calculated at the rate of 15% (2020: 15%) on the profit for the year as adjusted for income tax purposes.

Corporate Social Responsibility

The Company is required to set up a Corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework.Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

(a) Income tax liability - statement of financial position

	2021 Rs	2020 Rs
At 1 July	**1,082,707**	(285,072)
Refund received during the year	**-**	336,804
Provision for the year	**2,441,601**	1,625,911
Under provision of tax in previous years	**17,935**	-
Tax paid under APS	**(2,062,420)**	(832,815)
CSR payable	**136,159**	237,879
At 30 June	**1,615,982**	1,082,707

(b) Income tax expense - Profit or loss and comprehensive income

	2021 Rs	2020 Rs
Provision for the year	**2,441,601**	1,625,911
Underprovision of income tax in previous years	**17,935**	-
Deferred tax movement (Note 7)	**(34,909)**	(24,433)
CSR expense	**327,938**	367,427
At 30 June	**2,752,566**	1,968,905

The deferred tax expense recognised in the statement of comprehensive income amounts to Rs 150,831 (2020: deferred tax credit of Rs 39,698).

(c) The total charge for the year can be reconciled to the accounting profit as follows:

	2021 Rs	2020 Rs
Profit before tax	**15,816,857**	10,501,620
Tax calculated at a rate of 17% (2017: 17%)	**2,688,866**	1,785,275
Non-deductible expenses	**38,552**	32,990
Underprovision of CSR in previous years	**2,391**	150,641
Underprovision of income tax in prior years	**17,935**	
Underprovision of deferred tax in prior years	**4,822**	-
	2,752,566	1,968,906

14. EMPLOYEE BENEFIT LIABILITIES

(a) Other retirement benefits - Gratuity on retirement

The unfunded portion of the obligation concern employees who are entitled to retirement benefits payable under the "Worker's Rights Act". This provides for a lump sum at retirement based on final salary and years of service. For employees who are members of the defined contribution plan, the retirement indemnity is reduced by one half of the amount paid through the lump sum and five years of pension (relative to the employer contribution share).

14. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) Other retirement benefits - Gratuity on retirement (Continued)

The most recent actuarial valuation of the pension plans were carried out at 30 June 2021 by Swan Life Ltd.

The following table summarises the various components of the net expense recognised in the statement of profit or loss and other comprehensive income and the amount recognised in the statement of financial position:

	2021 Rs	2020 Rs
(i) Amounts recognised in the statements of financial position:		
Employee benefit liabilities	**652,500**	1,381,265
(ii) Movement in the net liabilities recognised in the statements of financial position:		
At 01 July	**1,381,265**	1,012,517
Amount recognised in profit or loss	**158,479**	135,228
Amount recognised in other comprehensive income	**(887,244)**	233,520
At 30 June	**652,500**	1,381,265
(iii) Amounts recognised in the statement of profit or loss and other comprehensive income:		
Current service cost	**115,660**	67,389
Net interest cost	**42,819**	67,839
Components of amount recognised in profit or loss	**158,479**	135,228
Remeasurement of the net defined benefit liability:		
Experience gains on the liabilities	**(27,737)**	(87,255)
Changes in assumptions underlying the present value of the schem	**(859,507)**	320,775
Components of amount recognised in other comprehensive	**(887,244)**	233,520
Total	**(728,765)**	368,748

(iv) **The principal actuarial assumptions used for accounting purposes are:-**

	2021	2020
Discount rate	**6.10%**	3.10%
Future long term salary increase	**2.00%**	1.00%

The Company has assumed that there would be no withdrawal or early retirement from service and that everyone will retire at the Normal Retirement Age (NRA).

The discount rate is determined by reference to the yield on latest bond issued on the secondary market of duration equivalent to the duration of liabilities.

The Company is expected to contribute around Rs 25,000 to the PRGF for the year ending 30 June 2022 (2020: Nil).

The weighted average duration of the liabilities as at 30 June 2021 is 30 years.

14. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) *Other retirement benefits - Gratuity on retirement (continued)*

(v) **Sensitivity analysis on retirement benefit obligations at end of the reporting date:**

	2021	2020
	Rs	Rs
Decrease in defined benefit obligation due to 1% increase in discount	**380,947**	277,435
Increase in defined benefit obligation due to 1% increase in future	**490,830**	452,894

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occuring at the end of the reporting period if all other assumptions remained unchanged.

(b) *Defined contribution plans*

The Company has a defined contribution plan. The plan is funded by the employer through contributions to a separately administered fund.

	2021	2020
	Rs	Rs
Contributions for the defined contribution plans	**571,993**	625,751

(c) *State pension plan*

	2021	2020
	Rs	Rs
National Pension Scheme contribution expensed	**396,936**	205,262

15. RELATED PARTY TRANSACTIONS

The table below shows the total amount of transactions that have been entered into with related parties.

	Ultimate holding company		**Other related parties**	
	2021	2020	**2021**	2020
Transactions	**Rs**	Rs	**Rs**	Rs
Revenue	**26,639,336**	16,634,327	**6,625,078**	11,994,079
Management fees	**3,000,000**	3,000,000	**-**	-
Other charges	**-**	-	**-**	159,495
Balances				
Trade and other receivables	**2,685,801**	226,475	**2,042,625**	2,841,863
Cash at bank	**-**	-	**23,067,645**	20,444,486
Other payables	**-**	-	**113,500**	56,000

Amounts due from and to related parties are non-interest bearing, unsecured and repayable on demand.

Compensation paid to key management personnel

During the financial year, an amount of Rs 150,000 was paid to a director of the Company (2020: Rs 150,000). A long-term incentive of Rs 578,346 (2020: Rs 349,637) is payable at year end.

16. DIVIDEND

	2021	2020
	Rs	Rs
Dividend on ordinary shares		
Dividend declared and paid during the year	**12,000,000**	10,000,000

A dividend of Rs 48 per share was declared at the Board meeting on 29 June 2021 (2020: Rs 40 per share). The dividend declared was paid on 30 June 2021.

17. FINANCIAL INSTRUMENTS

The Company's main financial liabilities consist of other payables and lease liabilities. The Company holds other financial assets such as trade receivables and cash and cash equivalents.

The main risks associated with the Company's financial instruments are interest rate risk on cash flows, liquidity risk, currency risk and counterparty risk. These policies are summarized below.

Capital risk management

The main objective of the Company in terms of managing its capital is to ensure that adequate credit risk rating is maintained in order to facilitate its activity and maximize value for the shareholder.

The Company manages the structure of its capital and makes adjustments in line with changing economic conditions. To maintain or adjust the capital structure, the Company may adjust the payment of dividends to the shareholder, repay a portion of the share capital or issue new shares. The capital structure of the Company consists of stated capital and retained earnings. Management objectives and procedures remain unchanged in 2021.

Fair value

Except where stated elsewhere, the fair values of the Company's financial instruments approximate the carrying amounts as at 30 June 2021 and 2020 due to the short-term nature of the balances involved (except for the lease liabilities at undiscounted payments).

	2021	2020
	Rs	Rs
Financial Assets		
Trade and other receivables	4,765,159	3,606,236
Cash and cash equivalents	25,154,814	21,391,686
	29,919,973	24,997,922
Financial liabilities		
Lease liabilities at undiscounted payments (note iii)	2,515,652	-
Other payables	4,654,842	1,375,161
	7,170,494	**1,375,161**

(i) Trade and other receivables exclude prepayments Rs 57,000 (2020: Rs 75,000).

(ii) Other payables exclude VAT amounting to Rs 548,448 (2020: Rs 743,026).

(iii) The fair value of the lease liabilities amount to Rs 2,265,587 as at 30 June 2021 (2020: nil).

17. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Company's exposure to the risk of changes in market interest rates is related to the Company's financial instruments which are at variable rates. As 30 June 2021, the Company did not hold any material interest bearing balances. Thus, the Company did not have financial assets which have variable interest rates.

Financial liabilities at amortised cost

If the interest rates had been plus or minus 1%, the Company's profit for the year ended 30 June 2021 would have decreased/increased by Rs 48,913 (2020: Nil). This is mainly attributed to the Company's exposure to interest rate fluctuations on lease liabilities.

Foreign exchange risk

The Company does not have a material exposure to any currency risk because all financial assets and liabilities are denominated in Mauritian rupee, with the exception of certain bank accounts held in US dollars representing Rs 1,487 (2020: Rs 1,397).

The Company's exposure to exchange rate movements of the USD to the Rs is immaterial.

The Company maintains business relationships only with parties whose credit worthiness is proven to be sound. The Company's policy is to check the credit worthiness of all customers who wish to obtain credit terms. In addition, customer balances are continuously monitored and, as a result, the Company's exposure to credit risk is not material.

Credit risk

For credit risk relating to the Company's financial assets, i.e., cash and cash equivalents, the Company's exposure is linked to potential third party defaults concerned, with a maximum exposure equal to the carrying amount of these instruments.

The concentration of credit risk presented in Note 5 consists of balances due from related companies.

Liquidity risk management

The Company manages the risk of being short of cash using a cash management tool. This tool takes into account financial assets (eg. trade receivables, other financial assets) and estimates of future cash flows related to operating activities and maturities of financial liabilities.

The Company's objective is to maintain a balance between the continuity of financing and its flexibility through the use of overdrafts. There has been no noticeable impact on the liquidity of the Company due to the Covid-19 pandemic.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (continued)

The following table shows the maturity profile of the Company's financial liabilities as at 30 June, based on undiscounted contractual payments.

2021	On demand	Within 12 months Rs	2 to 5 Years Rs	Total Rs
Lease liabilities at undiscounted payments	-	548,870	1,966,783	2,515,653
Other payables	113,500	4,541,342	-	4,654,842
	113,500	5,090,212	1,966,783	7,170,495
2020				
Other payables	56,000	1,319,161	-	1,375,161

There has been no noticeable impact on the liquidity of the Company as a result of the Covid-19 pandemic.

18. ULTIMATE HOLDING COMPANY

IBL Ltd, having its head office at IBL House, Caudan, Port Louis, is the holding and ultimate holding company of the Company.

19. SUBSEQUENT EVENT NOTE

The directors are of the opinion that given the current COVID-19 pandemic, and its ramifications on the economy as a whole, this would not have a material impact on the industry in which the Company operates nor on the operations of the Company given that its principal activity is that of provision of treasury management and services to a network of companies. The main focus of the business remains on the commission income, advisory income and other related income earned through the provision of treasury services. The Company continued to operate during the second lockdown in March 2021 and the directors have made an assessment and note that there are no major impact on revenue arising from the Covid-19 pandemic situation. Also, the other line items in the statement of financial position (such as the property, plant and equipment, trade and other receivables, cash and cash equivalents and other payables) are not significantly impacted by the pandemic situation and with the continuous ongoing vaccination program in Mauritius. The Company continues to monitor this situation and will take further action as necessary in response to the economic disruption. The directors have also assessed the Company's ability to continue as a going concern. When making that assessment, where relevant, management takes into consideration the existing and anticipated effects of the outbreak on the Company's activities in its assessment of the appropriateness of the use of the going concern basis. The directors are satisfied that the Company have enough resources to continue in business for the foreseeable future. The directors are of the opinion that it is difficult to assess the potential future wider consequences (including a global, regional or other economic recession). Hence, it is difficult to quantify the overall outcome and impact of COVID-19 at this stage.

Other than the above, there are no other subsequent events that require disclosure or adjustments in the financial statements.