SOUND DECISION-MAKING

FINANCIAL STATEMENTS

Independent auditor's report | Statements of financial position | Statements of profit or loss and other comprehensive income | Statements of changes in equity | Statements of cash flows | Notes to the financial statements

Our strategic choices stand as pillars, fostering prosperity and propelling progress. With steadfast commitment, we navigate the market currents, ensuring sustained growth and success.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE UNITED BASALT PRODUCTS LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The United Basalt Products Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 149 to 247, which comprise the consolidated and separate statements of financial position as at June 30, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Employee benefit liabilities	
The Group and the Company have defined benefit plans and residual liability on retirement gratuities arising from Workers' Rights Act 2019 for its employees and have recognised employee benefit liabilities of Rs 288.7 million and Rs 200.4 million respectively at June 30, 2023. In determining the employee benefit liabilities, management has made certain assumptions, judgement and has involved an actuary to assist with the IAS 19 Employee Benefits provisions and disclosures. Changes in the assumptions can lead to a material movement in the net employee benefit liabilities. Employee benefit liabilities are considered a key audit matter due to the significance of the balance in the consolidated and separate financial statements as a whole, combined with the significant assumptions and judgements in determining the amount of provision. The significant assumptions and judgements used in respect of the employee benefit liabilities have been disclosed in Note 21.	We assessed the competence, capabilities and objectivity of management's independent actuaries. We assessed and challenged the assumptions that the actuaries and management made in determining the value of the net employee benefit liabilities: • Independently recalculated the discount rate used based on the duration of the employee benefit liabilities; • Assessed the reasonableness of future salary increase; • Tested the salary data used in the valuation report by reconciling to payroll records for completeness and accuracy; • Verified the retirement benefits plan assets to independent correspondences with the plan assets administrators; and • Assessed whether the disclosure made in the financial statements are as per the requirements of IAS 19.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Impairment assessment of goodwill</td><td></td></tr>
<tr><td>The goodwill balance stood at Rs 125.6 million as at June 30, 2023. Management conducted an annual impairment test before the end of the reporting period to assess the recoverability of the carrying value of goodwill.

This was performed by calculating the cash generating unit's ("CGU") value-in-use by discounting the estimate of the future cash flows the Group expects to derive from the CGU or the fair value less cost to sell of the CGU.

As disclosed in Note 9(a), there is inherent uncertainty and significant judgements involved in preparing future cash flow forecasts and applying the appropriate discount rate to determine the value-in-use amount of the CGU. There is also significant judgement in estimating the fair value less cost to sell amount of the CGU.

The impairment assessment of goodwill is thus considered as a key audit matter.</td><td>In evaluating the impairment of goodwill, we reviewed the CGU's value in use or fair value less cost to sell calculations prepared by management. We performed various procedures, including the following:

• Reviewed the inputs used in the cash flow forecast against historical performance and comparison to management's strategic plans;
• Compared the growth rate used to historical data regarding economic growth rate in the cash generating unit;
• Reviewed appropriateness of discount factor used;
• Verified the mathematical accuracy of the valuation;
• Performed sensitivity analysis on discount rates to evaluate the extent of impact on the value in use; and
• Assessed the reasonableness of the fair value less cost to sell of properties.</td></tr>
<tr><td>Land and buildings</td><td></td></tr>
<tr><td>At June 30, 2023, the Group and the Company have land and buildings included in Property, Plant and Equipment amounting to Rs 3,728.5 million and Rs 1,575.9 million respectively.

Land and buildings are stated at their revalued amount under the revaluation model in terms of IAS 16 Property, Plant and Equipment, based on periodic revaluations carried out by qualified external independent valuation specialist, less subsequent depreciation and impairment of buildings.

The fair value of land and buildings is arrived at by using either open market approach or depreciated replacement cost approach as appropriate.

For the year ended June 30, 2023, the corresponding gains on revaluation recorded in other comprehensive income for the Group and the Company amounted to Rs 622.0 million and Rs 323.3 million respectively.

The determination of the fair value of land and buildings involves judgements and estimates of key inputs that materially affect the carrying amounts of the revalued assets.

The significance of the land and buildings on the Group's and the Company's statements of financial position as disclosed in Note 5 and the significant judgements and assumptions involved in arriving at the fair value, resulted in them being identified as a key audit matter.</td><td>Our audit procedures included the following:

• Obtained, read, and understood the valuation reports from the qualified external independent valuation specialist. Tested the mathematical accuracy of the reports and evaluated the valuation methodologies used by the qualified external independent valuation specialist;
• Assessed the qualifications and objectivity of the qualified external independent valuation specialist engaged by the Group and the Company for the valuation of land and buildings;
• Engaged with the qualified external independent valuation specialist and challenging the reasonableness of key inputs and assumptions used in the fair value determination by involving our internal valuation specialist;
• Involved our internal valuation specialist in validating the appropriateness of the methodologies and assumptions used; and
• Assessed the appropriateness of the disclosures made in the financial statements in accordance with the requirements of IAS 16.</td></tr>
</table>

Other information

The Directors are responsible for the other information. The other information comprises the Financial Highlights, Risk Report, Corporate Governance Report, Capital Reports, Other Statutory Disclosures, Statement of Directors' Responsibilities and Company Secretary's Certificate which we obtained prior to the date of this auditor's report. It also includes other reports to be included in the Annual Report which are expected to be made available after that date. The other information, does not include the consolidated and separate financial statements and our auditor's report thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THE UNITED BASALT PRODUCTS LIMITED

Other information (Continued)

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with 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.

When we read the other reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

• We have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
• We have obtained all information and explanations that we have required; and
• In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Financial Reporting Act 2004

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the Annual Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Annual Report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

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

Deloitte

Deloitte
Chartered Accountants
September 29, 2023

LLK Ah Hee, FCCA
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FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Notes	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**4,880,285**	3,776,377	**2,308,074**	1,767,872
Right of use assets	6	**346,586**	265,801	**139,936**	98,300
Investment properties	7	**46,716**	59,646	**219,426**	213,008
Bearer biological assets	8	**1,125**	-	**-**	-
Intangible assets	9(a)	**268,902**	151,367	**18,499**	19,478
Land conversion rights	9(b)	**27,198**	27,198	**-**	-
Investment in subsidiaries	10	**-**	-	**1,605,870**	1,316,261
Investment in associates	11	**75,182**	69,801	**7,163**	7,163
Non-current financial assets	12	**2,292**	20,787	**1,502**	19,968
Deferred tax assets	13(c)	**23,151**	23,813	**-**	-
Total non-current assets		**5,671,437**	4,394,790	**4,300,470**	3,442,050
Current assets					
Consumable biological assets	14	**103,351**	77,086	**-**	-
Inventories	15	**1,260,879**	1,218,593	**543,242**	485,985
Trade and other receivables	16	**561,534**	564,118	**651,612**	595,451
Income tax receivable	13(b)	**15,827**	10,218	**12,689**	9,142
Cash at bank and on hand	18	**100,543**	43,698	**1,112**	8,265
		2,042,134	1,913,713	**1,208,655**	1,098,843
Assets classified as held for sale	38	**-**	100,923	**-**	22,428
Total current assets		**2,042,134**	2,014,636	**1,208,655**	1,121,271
TOTAL ASSETS		**7,713,571**	6,409,426	**5,509,125**	4,563,321
EQUITY AND LIABILITIES					
Equity					
Issued capital	19(a)	**265,100**	265,100	**265,100**	265,100
Reserves	19(b)	**3,950,342**	3,176,648	**2,649,062**	2,174,057
Equity attributable to shareholders of the parent		**4,215,442**	3,441,748	**2,914,162**	2,439,157
Non-controlling interests		**46,189**	29,660	**-**	-
Total equity		**4,261,631**	3,471,408	**2,914,162**	2,439,157
Non-current liabilities					
Loans	20(a)	**459,034**	919,143	**429,536**	877,143
Lease liabilities	20(b)	**279,324**	220,995	**110,327**	79,517
Deferred tax liabilities	13(c)	**153,030**	55,831	**73,407**	17,106
Employee benefit liabilities	21	**288,650**	419,564	**200,351**	323,614
Total non-current liabilities		**1,180,038**	1,615,533	**813,621**	1,297,380
Current liabilities					
Loans and bank overdrafts	20(a)	**1,515,677**	623,641	**1,422,320**	570,256
Lease liabilities	20(b)	**83,282**	61,957	**34,171**	22,204
Trade and other payables	22	**668,104**	586,995	**324,851**	234,324
Dividend payable	29	**4,291**	6,748	**-**	-
Income tax payable	13(b)	**548**	7,876	**-**	-
		2,271,902	1,287,217	**1,781,342**	826,784
Liabilities directly associated with assets classified as held for sale	38	**-**	35,268	**-**	-
Total current liabilities		**2,271,902**	1,322,485	**1,781,342**	826,784
Total liabilities		**3,451,940**	2,938,018	**2,594,963**	2,124,164
TOTAL EQUITY AND LIABILITIES		**7,713,571**	6,409,426	**5,509,125**	4,563,321

These financial statements were approved by the Board of Directors on September 27, 2023 and signed on its behalf by :

Jean-Claude Béga
Chairman

Stéphane Ulcoq
Group CEO

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
		Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	**24**	**4,682,896**	4,073,535	**2,157,826**	1,952,642
Operating profit	**25**	**247,657**	204,741	**113,107**	113,346
Allowance for expected credit losses on financial assets	**25(d)**	**(19,099)**	(23,281)	**(3,766)**	(12,244)
Impairment of assets	**25(c)**	**-**	(348,100)	**(6,560)**	(211,437)
Gain on deemed disposal of associate	**25(e)**	**-**	158,236	**-**	-
Finance income	**26**	**957**	2,125	**87,534**	44,808
Finance costs	**27**	**(107,574)**	(59,490)	**(95,953)**	(43,785)
Share of results of associates	**11**	**13,523**	10,678	**-**	-
Profit / (loss) before tax		**135,464**	(55,091)	**94,362**	(109,312)
Tax income / (expense)	**13(a)**	**6,546**	(1,622)	**6,408**	7,421
Profit / (loss) for the year		**142,010**	(56,713)	**100,770**	(101,891)
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		**1,413**	30,205	**-**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**1,413**	30,205	**-**	-
Items not to be reclassified to profit or loss in subsequent periods:					
Net gain on equity instruments at FVTOCI	**12(a)**	**7,157**	6,434	**7,157**	6,434
Re-measurement gains on retirement benefit liabilities	**21**	**129,951**	86,380	**110,944**	56,806
Deferred tax effect on re-measurement gains on retirement benefit liabilities	**13(a)**	**(21,200)**	(13,911)	**(18,860)**	(9,657)
Revaluation of land and buildings	**5**	**621,969**	-	**323,332**	-
Deferred tax on revaluation gain on buildings	**13(a)**	**(90,809)**	-	**(48,338)**	-
Share of other comprehensive income of associates	**11**	**4,623**	4,655	**-**	- -
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**651,691**	83,558	**374,235**	53,583
Other comprehensive income for the year, net of tax		**653,104**	113,763	**374,235**	53,583
Total comprehensive income / (loss) for the year, net of tax		**795,114**	57,050	**475,005**	(48,308)
Profit / (loss) for the year attributable to:					
Equity holders of the parent		**133,660**	(67,553)	**100,770**	(101,891)
Non-controlling interests		**8,350**	10,840	**-**	-
		142,010	(56,713)	**100,770**	(101,891)
Total comprehensive income / (loss) for the year attributable to:					
Equity holders of the parent		**773,694**	37,322	**475,005**	(48,308)
Non-controlling interests		**21,420**	19,728	**-**	-
		795,114	57,050	**475,005**	(48,308)
Earnings / (loss) per share (Rs)	**28**	**5.04**	(2.55)		

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Attributable to equity shareholders of the parent									
THE GROUP	**Issued capital**	**Share premium**	**Associate companies**	**Revaluation reserve**	**Fair value reserve of financial assets at FVOCI**	**Translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 01, 2021	265,100	7,354	109,813	1,874,102	10,980	(16,182)	1,304,859	3,556,026	41,616	3,597,642
(Loss) / profit for the year	-	-	-	-	-	-	(67,553)	(67,553)	10,840	(56,713)
Other comprehensive income	-	-	4,655	-	6,434	23,253	70,533	104,875	8,888	113,763
Total comprehensive income for the year	-	-	4,655	-	6,434	23,253	2,980	37,322	19,728	57,050
Changes in percentage holding of subsidiaries (note 37)	-	-	-	-	-	-	(72,070)	(72,070)	(24,336)	(96,406)
Transfer to retained earnings	-	-	(29,475)	(12,819)	-	-	42,294	-	-	-
Dividends (note 29)	-	-	-	-	-	-	(79,530)	(79,530)	(7,348)	(86,878)
At June 30, 2022	265,100	7,354	84,993	1,861,283	17,414	7,071	1,198,533	3,441,748	29,660	3,471,408
At July 01, 2022	265,100	7,354	84,993	1,861,283	17,414	7,071	1,198,533	3,441,748	29,660	3,471,408
Profit for the year	-	-	-	-	-	-	133,660	133,660	8,350	142,010
Other comprehensive income	-	-	4,623	516,736	7,157	3,336	108,182	640,034	13,070	653,104
Total comprehensive income for the year	-	-	4,623	516,736	7,157	3,336	241,842	773,694	21,420	795,114
Transfer to retained earnings	-	-	-	(61,048)	(24,571)	-	85,619	-	-	-
Dividends (note 29)	-	-	-	-	-	-	-	-	(4,891)	(4,891)
At June 30, 2023	**265,100**	**7,354**	**89,616**	**2,316,971**	**-**	**10,407**	**1,525,994**	**4,215,442**	**46,189**	**4,261,631**

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

THE COMPANY	Issued capital	Share premium	Revaluation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2021	265,100	7,354	819,248	10,980	1,464,313	2,566,995
Loss for the year	-	-	-	-	(101,891)	(101,891)
Other comprehensive income	-	-	-	6,434	47,149	53,583
Total comprehensive income / (loss) for the year	-	-	-	6,434	(54,742)	(48,308)
Dividends (note 29)	-	-	-	-	(79,530)	(79,530)
At June 30, 2022	265,100	7,354	819,248	17,414	1,330,041	2,439,157
At July 01, 2022	265,100	7,354	819,248	17,414	1,330,041	2,439,157
Profit for the year	-	-	-	-	100,770	100,770
Other comprehensive income	-	-	274,994	7,157	92,084	374,235
Total comprehensive income for the year	-	-	274,994	7,157	192,854	475,005
Transfer to retained earnings	-	-	-	(24,571)	24,571	-
At June 30, 2023	**265,100**	**7,354**	**1,094,242**	**-**	**1,547,466**	**2,914,162**

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	**2023**	2022
OPERATING ACTIVITIES		**Rs'000**	Rs'000	**Rs'000**	Rs'000
Profit / (loss) before tax		**135,464**	(55,091)	**94,362**	(109,312)
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	5	**278,484**	249,931	**179,707**	170,663
Depreciation of right of use assets	6	**80,136**	44,552	**30,669**	13,662
Depreciation of investment properties	7	**2,104**	3,735	**18,053**	19,075
Allowance for expected credit losses on financial assets		**19,099**	23,281	**3,766**	12,244
Amortisation of intangible assets	9(a)	**27,443**	22,028	**5,432**	4,862
Reassessment of lease		**-**	(184)	**-**	-
Derecognition of lease	25(b)	**(716)**	-	**-**	-
Impairment of assets	25(c)	**-**	340,686	**6,560**	211,437
Gain on deemed disposal of associate	25(e)	**-**	(158,236)	**-**	-
Fair value loss of financial assets at FVTPL	12	**29**	331	**-**	-
Fair value movement of land conversion rights	9(b)	**-**	(1,576)	**-**	-
Write-off of intangible assets	9(a)	**-**	1,644	**-**	-
Write-off of property, plant and equipment	5	**1,111**	65	**-**	-
Write-off of right of use assets	6	**-**	2,337	**-**	-
Movement in retirement benefit liabilities	21	**(8,536)**	7,531	**(12,325)**	1,600
Profit on disposal of property, plant and equipment	25	**(8,548)**	(5,064)	**(6,396)**	(6,629)
Share of results of associates	11	**(13,523)**	(10,678)	**-**	-
Finance costs	27	**107,574**	58,460	**95,953**	43,785
Finance income	26	**(957)**	(2,090)	**(87,534)**	(44,808)
Movement in working capital:					
Increase in consumable biological assets	14	**(26,265)**	(22,659)	**-**	-
Decrease / (increase) in inventories	15	**25,444**	(314,354)	**(35,496)**	(94,505)
Decrease / (increase) in trade and other receivables	16	**20,007**	(14,422)	**(59,927)**	(194,127)
Increase / (decrease) in trade and other payables	22	**33,646**	(34,889)	**90,527**	67,238
Cash generated from operations		**671,996**	135,338	**323,351**	95,185
Interest paid		**(101,453)**	(54,988)	**(89,000)**	(39,668)
Interest income		**-**	15	**12,917**	8,518
Income tax paid	13(b)	**(25,131)**	(24,902)	**(8,036)**	(19,017)
Net cash flows generated from operating activities		**545,412**	55,463	**239,232**	45,018
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		**10,984**	15,564	**7,200**	11,878
Purchase of property, plant and equipment	18	**(595,260)**	(381,130)	**(438,361)**	(262,534)
Expenditure on bearer assets	8	**(1,125)**	-	**-**	-
Additions to investment in subsidiaries	10	**-**	-	**(248,118)**	(395,259)
Purchase of investment properties	7	**-**	-	**(6,692)**	(18,467)
Purchase of intangible assets	9(a)	**(24,447)**	(21,613)	**(4,383)**	(7,807)
Consideration paid to aquire additional shares in financial asset and subsidiary	37	**(244,841)**	(381,822)	**-**	-
Cash on acquisition of subsidiary	37	**839**	12,182	**-**	-
Dividend received from associates	11	**12,765**	13,174	**12,765**	13,174
Dividend received from other equity investment	26	**957**	2,075	**61,852**	23,116
Net cash flows used in investing activities		**(840,128)**	(741,570)	**(615,737)**	(635,899)

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
FINANCING ACTIVITIES					
Proceeds from borrowings	20(c)	3,856,685	1,508,500	3,940,652	1,548,950
Repayment of term loans	20(c)	(3,521,579)	(1,153,360)	(3,617,541)	(1,139,677)
Repayment of lease liabilities	20(c)	(77,109)	(45,796)	(28,159)	(11,343)
Long Term Secured Promissory Note	20(c)	(3,382)	(3,096)	(3,382)	(3,096)
Dividend paid - The Company		-	(79,530)	-	(79,530)
Dividend paid - Minority shareholders		(7,348)	(600)	-	-
Net cash flows from financing activities		247,267	226,118	291,570	315,304
Decrease in cash and cash equivalents		(47,449)	(459,989)	(84,935)	(275,577)
MOVEMENT IN CASH AND CASH EQUIVALENTS					
At July 01,		(298,710)	107,328	(254,431)	21,146
Cash and cash equivalent balance represented as continuing operations	38	9,907	-	-	-
Exchange difference		313	55,379	-	-
Decrease in cash and cash equivalents		(47,449)	(459,989)	(84,935)	(275,577)
Less: Movement for discontinuing operations	38	-	(1,428)	-	-
At June 30,	18	(335,939)	(298,710)	(339,366)	(254,431)

The notes on pages 156 to 247 form an integral part of these financial statements.
Auditor's report on pages 146 to 149.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1. CORPORATE INFORMATION

The United Basalt Products Limited ("the Company") is a public company incorporated and domiciled in Mauritius and listed on the official market of the Stock Exchange of Mauritius. Its registered office is situated at Trianon, Quatre-Bornes.

The main activities of the Company and its subsidiaries, together referred to as the 'Group', are the manufacturing and selling of building materials, provision of workshop services, manufacture of ready-mixed concrete and the production and sale of agricultural products.

The consolidated and separate financial statements for the year ended June 30, 2023 were authorised for issue by the Board of Directors on September 27, 2023 and the statements of financial position were signed on behalf of the Board by Messrs Jean-Claude Béga and Stéphane Ulcoq. The consolidated and separate financial statements will be submitted to the shareholders for approval at the annual meeting.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and complies with the Mauritius Companies Act 2001 and Financial Reporting Act 2004.

The consolidated and separate financial statements have been prepared on a historical cost basis except for freehold land and buildings classified under property, plant and equipment, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and consumable biological assets that have been measured at their fair values as disclosed in the accounting policies hereafter.

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

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

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of The United Basalt Products Limited and entities controlled by the Company (its subsidiaries) as at June 30, 2023.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Company had directly disposed of the related assets or liabilities.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets held for sale and Discontinued Operations are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Business combinations (Continued)

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

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(b) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

The Group's management determines the policies and procedures for fair value measurement, such as unquoted financial assets at fair value through other comprehensive income and unquoted financial assets at fair value through profit or loss.

Financial assets that are unquoted are fair valued by management at least annually at the reporting date. The use of external valuers is decided by the management when the situation dictates it, taking into consideration the relevant factors.

Involvement of external valuers for the valuation of its properties is decided upon by management after discussion with and approval of the audit committee, usually every three years. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. Management assesses the changes in the inputs, as well as those in the environment, from both internal and external sources, that affect the fair value of the property since the last valuation, and thereafter decides on the involvement of external valuers.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents.

Management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The fair values of the Group's consumable biological assets are determined by Management at least annually at the reporting date through the income approach. Inputs and assumptions used in the determination of the fair value are verified and validated to their respective sources and documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Except for freehold land and buildings, all other items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and buildings are carried at revalued amounts less accumulated depreciation on buildings and impairment losses recognised. Valuations are performed with sufficient frequency (3 to 5 years) to ensure that the value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded in other comprehensive income and credited to the revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated and any remaining balance is adjusted against the gross carrying amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2 to 20
Leasehold improvements	Over lease period
Land improvements	2
Plant and equipment	7 to 33
Motor vehicles	20

Land and assets in progress are not depreciated.

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

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Investment properties

Investment properties which are properties held to earn rentals and/or capital appreciation are initially measured at cost, including transaction costs and subsequently at cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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

Depreciation is calculated on the straight-line method at the rate of 2% to 5% per annum.

(e) Biological assets

Bearer biological assets

Bearer biological assets comprising of sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually up to seven years. The Group account for bearer plants in the same way as property, plant and equipment. Such biological assets are measured at cost (direct costs incurred including cost of purchase if any) less any accumulated depreciation and any accumulated impairment losses.

Consumable biological assets

Consumable biological assets represent standing cane, vegetables and plants and are stated at fair value less costs to sell. The fair value is measured as the expected net cash flows from the sale of the cane and plants discounted at the relevant market determined pre-tax rate. The changes in fair value less cost to sell of the consumable biological assets is recognised in profit or loss.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets (Continued)

The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Other intangible assets

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

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year-end with the effect of any changes in estimate being accounted for on a prospective basis. The intangible assets are amortised over a period of 6 years.

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

Internally-generated intangible assets–development expenditure

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets such as goodwill and brand name with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Customer relationship is measured initially at purchase cost and is amortised on a straight-line basis over its estimated useful life of 5 years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are in profit or loss when the asset is derecognised.

(g) Land conversion rights

Land conversion rights are in relation to the reform of the Sugar Industry in the years 2000, which necessitated redundancy payments in the form of cash and serviced land, as well as capital expenditure for capacity expansion and optimisation. These capital expenditure investments and expenses have been financed by debt. To assist the repayment of these debts, Government granted a tax exemption to the Sugar Industry when converting agricultural land into residential land in the form of Land Conversion Rights ("LCRs"). These LCRs are granted by the Mauritius Cane Industry Authority (MCIA) under the Sugar Industry Efficiency Act 2001 based on the qualifying costs incurred by an entity. An LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control) or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

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

(h) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is achieved when the Company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

When investment in subsidiary is acquired in stage, the cost of investment in subsidiary in the separate financial statement is measured at the fair value of the previously held interest (initial interest) at the date of obtaining control of the subsidiary, plus any consideration paid for the additional interest ('the fair value as deemed cost approach'). Any difference between the fair value (and, therefore, carrying amount under IFRS 9) of initial interest and the original consideration is recognised in profit or loss regardless of the classification of initial interest under IFRS 9.

(i) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Investment in associates (Continued)

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised but is individually tested for impairment annually.

The profit or loss reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's in other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associates is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates is stated at cost. The carrying amount is reduced to recognise any impairment in the value of the investment.

(j) Foreign currency translation

The financial statements of the Group and the Company are presented in Mauritian rupees, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Mauritian rupees at the rate of exchange prevailing at the reporting date and their profit or loss is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(k) Financial instruments

Financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortized 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

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

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

Subsequent measurement

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

- Financial assets at amortized 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) ; and
- Financial assets at fair value through profit or loss.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and cash and cash equivalent.

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

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as finance income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify part of its equity investments under this category. Refer to note 12.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes both listed and unlisted equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Refer to note 12.

Dividends on these equity investments are also recognised as Finance income in profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Financial assets (Continued)

Derecognition (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and some other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Some other receivables are of the same nature as trade receivables but given that these are not the activities of the Group, these are not classified as trade receivables. As those other receivables have a maturity of 1 year or less, the Group has applied the practical expedient of IFRS 9. Where the balance due is repayable on demand and the borrower has enough liquid assets to settle the balance due on demand, the probability of default is minimal. Where the Borrower does not have enough liquid assets to settle the balance on demand but own other assets that can be sold to settle the balance due, the loss given default is nil as the net realisable value of the assets cover the outstanding balance. In that case, the ECL is limited to the effect of discounting the amount due of the loan over the period until the cash is realised and since those companies can realise cash within a short period of time, the effect of discounting is immaterial.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the asset of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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 and trade and other payables.

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

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

Subsequent measurement

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

Amortised cost

Loans and borrowings, lease liabilities and trade and other payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized 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 amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings including bank overdraft and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (Continued)

Financial liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Inventories

Inventory items are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw Materials: Purchase costs on an average cost method; and
- Finished Goods: Costs of direct materials and direct expenses based on normal operating capacity.

Work-in-progress consists of cost incurred on works performed but not yet completed and invoiced at the reporting date.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

When inventories arise from a change in use of investment properties such as by the commencement of development with a view to sell, the properties are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses.

Land development inventory consists of cost of land and related expenditure incurred on conversion of land to saleable condition. Land earmarked for development is stated at the lower of cost or net realisable value and is included in inventories.

(m) Retirement benefit liabilities

Defined contribution plan

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

Defined benefit plan

The Group operates a final salary defined benefit plan, the assets of which are held independently and administered by Swan Life Ltd. The cost of providing benefits under defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement 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;
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the defined benefit plan. 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.

State plan

State plan and contributions to Contribution Sociale Generalisée are expensed in profit or loss in the period in which they fall due.

Other retirement gratuity – The Workers Rights Act 2019

For employees that are not covered or who are insufficiently covered under pension plans, the net present value of retirement gratuity payable under the Workers' Rights Act 2019 (WRA) is calculated independently by qualified actuaries, AON Solutions Ltd and Swan Actuarial Services Ltd. The expected cost of these benefits is accrued over the service lives of employees on a similar basis to that for the defined benefit plan. The present value of these retirement gratuities have been disclosed as unfunded obligations under employee benefit liability.

(n) Cash and cash equivalents

Cash at bank and on hand in the statement of financial position are measured at amortised cost.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and on hand, net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Impairment of non-financial assets

The Group 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 Group 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.

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.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group'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 profit or loss in expense categories 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 Group 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.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

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

(p) Leases

The Group and the Company as lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Leases (Continued)

The Group and the Company as lessee (Continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient.

The Group and the Company as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group also rents equipment to retailers necessary for the presentation and customer fitting and testing of footwear and equipment manufactured by the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Revenue

The Group is involved in the sale of building materials and manufactures aggregates, rocksand, concrete blocks and other construction materials for resale. The Group is also involved in the sale of various concrete building components including decorative items, agricultural products and garden accessories. Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for those goods and services and excludes amount collected on behalf of third parties. Revenue is recognised when or as the entity satisfies a performance obligation by transferring control of a promised goods or services to a customer. Control either transfers over time or at a point in time. When revenue from services is received upfront by client, a contract liability is recognised for revenue relating to services not yet delivered to the customer. The Group has generally concluded that it is the principal in its revenue arrangements.

Revenue from sale of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer generally on delivery of the goods. The normal credit term is 30 days.

Revenue from workshop, leisure and landscaping

Services provided by the Group include workshop, leisure and landscaping. Revenue from rendering of these services is recognised either at a point in time or over time depending whether the service is one-off or over a duration of a period.

Project revenue

The Group generates revenue from supply and fixing contracts (project revenue) agreed with customers. Where the contracts contain only the supply of goods, revenue is recognised at the point of time the goods are delivered. However, where the contract consists of both supply and fixing services and each of these obligations can be capable of being distinct on its own or together with other services that are readily available to the customer and is distinct within the context of the contract itself, the good or service is accounted as a separate obligation. In these cases, revenue for the supply of goods is recognised at the time of delivery whereas revenue for the fixing part is recognised over time as the services are rendered.

The transaction price is allocated between the product and the fixing services on a relative stand-alone selling price basis.

(s) Taxes

Current tax

Current 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 at the reporting date, in the countries where the Group operates and generates taxable income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Taxes (Continued)

Current tax (Continued)

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability 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 or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition 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 or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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 with the income tax shown on the statement of profit or loss and other comprehensive income and the income tax liability on the statement of financial position.

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

(t) Segmental reporting

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and

(c) for which discrete financial information is available.

The Group's business segments consist of core business activities, retail and agriculture. Most of its activities are performed in Mauritius.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Other income

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when the Board of Directors of the investee declare the dividend.

(v) Distribution to equity holders

The Group and the Company recognise a liability to make distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

(w) Spare parts

Spare parts held by a Group which will be used to replace broken parts on its production machineries have been classified as inventory and are expensed to profit or loss when these are replaced on the production machineries.

Spare parts which can be used on a specific production machinery and which extend the life of the production machineries and economic benefit derived from its use are capitalised as part of property, plant and equipment. Depreciation on such spare parts is charged to profit or loss.

(x) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group and 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 cash flows estimated to settle present obligation, its carrying amount is the present value of these 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.

(y) Related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if they have the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(z) Non-current assets held for sale

Classification as non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Changes to plan for sale

If the Group and the Company have classified an asset (or disposal group) as held for sale or as held for distribution to owners, but the criteria for held for sale or for held for distribution to owners are no longer met, the Group and the Company shall cease to classify the asset (or disposal group) as held for sale or held for distribution to owners respectively. The Group and the Company shall measure the non-current asset (or disposal group) that ceases to be classified as held for sale or as held for distribution to owners at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale or as held for distribution to owners, adjusted for any depreciation, amortisation or revaluations that would have been recognised has the asset (or disposal group) not been classified as held for sale or as held for distribution to owners, and

(b) its recoverable amount at the date of the subsequent decision not to sell or distribute.

(aa) Comparative figures

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

(ab) Customer loyalty programme

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 01, 2022.

New and revised standards that are effective for the current year

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

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 produces while the company is preparing the asset for its intended uses

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous

IFRS 3 Business Combinations – Amendments updating a reference to the Conceptual Framework

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)

New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant 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 classification of liabilities (effective January 01, 2024)

IAS 1 Presentation of Financial Statements – Amendments to defer the effective date of the January 2020 amendments (effective January 01, 2024)

IAS 1 Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies (effective January 01, 2023)

IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective January 01, 2024)

IAS 7 Statement of Cash Flows – Amendments regarding supplier finance arrangements (effective January 01, 2024)

IAS 8 Accounting Policies, Change in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates (effective January 01, 2023)

IAS 12 Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations (effective January 01, 2023)

IAS 12 Income Taxes – Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes (effective January 01, 2023)

IFRS 7 Financial Instruments: Disclosures – Amendments regarding supplier finance arrangements (effective January 01, 2024)

IFRS 16 Leases – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective January 01, 2024)

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information – Original issue (effective January 01, 2024)

IFRS S2 Climate-related Disclosures – Original- issue (effective January 01, 2024)

The Directors anticipate that these Standards and Interpretations will be applied on their effective dates in future periods. The Directors have not yet assessed the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

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

Capitalisation of spare parts

Spare parts and servicing equipment which have an expected life of more than one year, usually in connection to the life of specific item of property, plant and equipment are classified as property, plant and equipment. They are depreciated over the shorter of the life of the spare or the item of property, plant and equipment they are attached to. All other spares are recognised as inventories and expensed in profit or loss upon consumption.

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 described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The Directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. There has been no impact on the re-assessment made by management.

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair values are determined by independent professional valuers by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the properties. Refer to note 5.

Allowance for slow moving inventories

The basis and assumptions used for determining impairment allowance for slow moving inventories is based on a combinations of factors including past experience of management, turnover, customer preferences and market trends.

Valuation of standing cane

The fair value of biological assets is based on the estimated net present value of future cash flows for the coming crop. The standing cane valuation has been arrived at based on an estimate of the future cash flows arising on a normal crop with sugar proceeds being adjusted for the drop in sugar price and budgeted costs and applying a suitable discount rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of standing cane.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (Continued)

Valuation of plants (Bearer biological assets)

The fair value of plants is based on the estimated net present value of future cash flows for the coming crops. The actual life of the bearers are assessed annually, taking into account the life of the ratoons, yields, estimated price of sugar and other items and the discount rate. The valuation of plants has been arrived at based on an estimate of the future cash flows arising on a normal crop less budgeted costs discounted at a suitable rate in order to calculate the net present value. Refer to note 14 for key assumptions used to determine valuation of plants.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Refer to notes 16.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value. Refer to note 9 (a), for key assumptions used.

Employee benefit liabilities

The cost of defined benefit pension plans and the present value of pension obligation are 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 complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer to note 21.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to note 12.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The recoverable amount of the investments in foreign subsidiaries has been determined using the fair value less cost to sell model. Main assumptions to the valuation model included the fair value of property, plant and equipment and discount for liquidity (refer to note 9).

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's principal financial liabilities comprise bank loans and overdrafts, finance leases, loan from shareholders and trade and other payables. The main purpose of these financial liabilities is to finance the Group's and the Company's operations. The Group's and the Company's principal financial assets included other current financial asset, trade and other receivables, and cash at bank and on hand that arise directly from its operations. The Group and the Company also hold equity investments classified at Fair value through profit or loss and Fair value through other comprehensive income.

The Group and the Company are exposed to market risk, credit risk and liquidity risk. The Group's and the Company's senior management oversees the management of these risks. Senior management ensures that the Group's and the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk objectives.

A description of the various risks to which the Group and the Company are exposed are shown below as well as the approach taken by management to control and mitigate those risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk to which the Group and the Company are exposed comprise three types of risk: interest rate risk, foreign currency risk, and equity price risk. Financial instruments affected by market risk include loans and borrowings, non-current financial assets, and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at June 30, 2023 and 2022.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the risk of changes in market interest rates relates primarily to the Group's and the Company's debt obligations with floating interest rates.

The Group's and the Company's income and operating cash flows are subject to the risks of changes in market interest rates.

The Group's and the Company's policy is to manage its interest risk using a mix of fixed and variable rate debts.

Interest rate sensitivity

The following table demonstrates through the impact on floating rate borrowings the sensitivity of the Group's and the Company's profit before tax and equity to a reasonable possible change in interest rates with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity (Continued)

	THE GROUP		THE COMPANY	
Increase / (decrease) in basis point	**2023**	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
+50	**9,844**	7,697	**9,229**	7,220
-25	**(4,922)**	(3,848)	**(4,615)**	(3,610)

(ii) Currency profile

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Euro	**26,814**	16,638	**72**	2,014
US Dollars	**29,955**	5,570	**40**	619
Mauritian Rupees	**499,409**	532,120	**611,029**	584,613
Malagasy Ariary	**10,722**	5,206	**-**	-
Sri Lanka Rupee	**2,365**	15,525	**-**	-
	569,265	575,059	**611,141**	587,246

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial liabilities	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Euro	**54,976**	46,056	**26,703**	18,963
US Dollars	**8,935**	5,915	**1,665**	57,743
Pound Sterling	**-**	100	**-**	100
Mauritian Rupees	**2,847,115**	2,291,665	**2,268,812**	1,694,540
South African Rand	**5,575**	1,224	**3,452**	780
Malagasy Ariary	**25,710**	29,495	**-**	-
Sri Lanka Rupee	**10,324**	4,808	**-**	-
	2,952,635	2,379,263	**2,300,632**	1,772,126

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit of the functional currency. While revenue is generated principally in the functional currency, significant expenditures are incurred in Euro, US Dollars and Malagasy Ariary. The Group does not have a policy to hedge against foreign currency risk.

Foreign currency sensitivity

The following table demonstrates due to changes in the fair value of monetary assets and liabilities the sensitivity of the Group's and the Company's profit after tax and equity to a reasonably possible change in Euro, US Dollars and Malagasy Ariary exchange rates, with all other variables held constant.

Increase / (decrease) in exchange rate	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Euro +5%	**(1,408)**	(1,471)	**(1,332)**	(847)
Euro -10%	**2,816**	2,942	**2,663**	1,695
US Dollar +5%	**1,051**	(17)	**(81)**	(2,856)
US Dollar -10%	**(2,102)**	35	**163**	5,712
Malagasy Ariary +5%	**(749)**	(1,214)	**-**	-
Malagasy Ariary -10%	**1,499**	2,429	**-**	-

Equity price risk

The Group's and the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The following table demonstrates the impact of a reasonably possible change in the equity prices, with all other variables held constant, on the Group's and the Company's profit after tax or equity, depending on whether the decline is significant or prolonged.

Increase/(decrease) in equity prices	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
+ 5%	115	1,039	75	998
- 10%	(229)	(2,079)	(150)	(1,997)

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and the Company are exposed to credit risk from its operating activities and from its financing activities, including trade and other receivables and cash at bank.

Trade receivables

Customer credit risk is managed by the Group's and the Company's established policy, procedures and control relating to customer credit risk management. The Group and the Company have established internal policies to determine the credit worthiness and reliability of potential customers.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 16.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Trade receivables (Continued)

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables using a provision matrix:

THE GROUP

2023	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		2.35%	3.49%	5.36%	7.12%	15.83%	100.00%
Total gross carrying amount (Rs'000)	570,240	9,712	166,637	115,795	36,605	37,955	203,536
Expected credit loss (Rs'000) *	180,983	(131)	3,116	2,677	563	2,144	172,614

* Adjusted taking into consideration bank guarantees

2022	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		3.29%	4.40%	6.94%	9.64%	32.68%	100.00%
Total gross carrying amount (Rs'000)	580,305	10,537	144,895	98,879	51,737	86,440	187,817
Expected credit loss (Rs'000) *	160,470	306	1,998	1,410	1,967	6,357	148,432

* Adjusted taking into consideration bank guarantees

THE COMPANY

2023	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		2.05%	2.36%	2.59%	4.38%	14.89%	100.00%
Total gross carrying amount (Rs'000)	249,715	3,340	76,014	74,599	28,975	20,517	46,270
Expected credit loss (Rs'000) *	43,839	57	1,463	785	604	55	40,875

* Adjusted taking into consideration bank guarantees

2022	Total	Current	1-30 days	31-60 days	61-90 days	91-180 days	>180 days
Expected credit loss rate		1.62%	1.89%	2.07%	3.61%	13.92%	100.00%
Total gross carrying amount (Rs'000)	244,641	2,613	63,262	51,203	27,702	50,993	48,868
Expected credit loss (Rs'000) *	42,204	17	558	518	645	374	40,092

* Adjusted taking into consideration bank guarantees

Financial instruments and cash at bank

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group and the Company limit their credit risk by carrying out transactions with reputable banking institutions. Counterparty credit limit are reviewed by the Group's Senior Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as disclosed below:

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Non-current financial assets	**2,292**	20,787
Cash at bank	**100,543**	43,698

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Non-current financial assets	**1,502**	19,968
Cash at bank	**1,112**	8,265

Other receivables

Other receivables are neither past due nor impaired for the year ended June 30, 2023 and 2022.

(c) Categories of financial instruments

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Financial assets at FVTPL	**2,278**	2,307	**1,488**	1,488
Financial assets at FVTOCI	**14**	18,480	**14**	18,480
Financial assets at amortised cost	**566,973**	554,272	**609,639**	567,278
	569,265	575,059	**611,141**	587,246
Financial liabilities				
Financial liabilities at amortised cost	**2,952,635**	2,379,263	**2,300,632**	1,772,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

Liquidity risk refers to the possibility of default by the Group and the Company to meet its obligations because of unavailability of funds to meet both operational and capital requirements. The Group and the Company monitor its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables and other financial assets), the maturity of its financial obligations and projected cash flows from operations. Moreover, the Group and the Company have access to various types of funding such as leasing, loans and share capital.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities at June 30, based on contractual undiscounted payment.

THE GROUP

At June 30, 2023	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	**437,812**	**124,504**	**1,064,728**	**721,449**	**260,793**	**2,609,286**
Trade and other payables	**311,668**	**288,417**	**17,695**	**-**	**-**	**617,780**
	749,480	**412,921**	**1,082,423**	**721,449**	**260,793**	**3,227,066**

At June 30, 2022	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	357,704	46,193	347,826	1,215,765	82,284	2,049,772
Trade and other payables	264,795	228,658	94,166	-	-	587,619
	622,499	274,851	441,992	1,215,765	82,284	2,637,391

THE COMPANY

At June 30, 2023	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	**365,689**	**103,144**	**967,900**	**469,705**	**242,564**	**2,149,002**
Trade and other payables	**199,947**	**87,388**	**16,963**	**-**	**-**	**304,298**
	565,636	**190,532**	**984,863**	**469,705**	**242,564**	**2,453,300**

At June 30, 2022	On demand	Less than 3 months	3-12 months	1 to 5 years	Above 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest bearing loans and borrowings	329,013	19,749	281,305	967,193	38,835	1,636,095
Trade and other payables	199,460	21,775	1,767	-	-	223,002
	528,473	41,524	283,072	967,193	38,835	1,859,097

(e) Climate-related risks

The table below lists the climatic impacts that are most likely to affect the business operations of the Group and the Company.

Geophysical, meteorological, hydrological, climatological events	Implications
Warmer temperatures	• Health and Safety risks • Failure to meet customer demands due to disruption in production output and delay in delivery of items • Temporary interruption of operations and production process • Rising insurance costs • Changes in resource/input price (water, energy) • Damage to infrastructure • Changes in consumer consumption patterns
Increase in frequency of intensity of heavy rainfall episodes	
Increase in intensity and length of droughts	
Decrease or increase in annual rainfall	
Rising sea levels	
Increase in frequency and intensity of tropical cyclones	

All potential effects of climate-related hazards are systematically evaluated and the Group has extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection.

(f) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group and the Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended June 30, 2023 and June 30, 2022.

The Group monitors capital using a gearing ratio which is interest bearing loans and borrowings divided by equity. The Group's policy is to keep the gearing ratio between 30% and 60%. Capital comprises of equity attributable to the equity holders of the parent. The Group and Company do not have any externally imposed capital requirements.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest bearing loans and borrowings	**2,337,317**	1,825,736	**1,996,354**	1,549,120
Equity	**4,261,631**	3,471,408	**2,914,162**	2,439,157
Gearing ratio	**55%**	53%	**69%**	64%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land and buildings	Land improvements	Plant and equipment	Motor vehicles	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At July 01, 2021	2,995,045	83,728	2,958,059	148,001	18,987	6,203,820
Additions	44,179	205	203,125	30,198	103,960	381,667
Disposals	(203)	-	(18,792)	(17,901)	-	(36,896)
Write-off	-	-	(311,693)	(980)	-	(312,673)
Transfer from right of use asset (note 6)	-	-	12,600	7,418	-	20,018
Transfer to inventories*	(12,819)	-	-	-	-	(12,819)
Acquisition of subsidiary (note 37)	92,752	-	210,574	26,539	22,705	352,570
Transfer from assets in progress	-	-	17,689	-	(17,689)	-
Reclassified as held for sale (note 38)	(44,241)	-	(47,492)	(10,502)	-	(102,235)
At June 30, 2022	3,074,713	83,933	3,024,070	182,773	127,963	6,493,452
Additions	64,740	-	299,088	11,475	219,166	594,469
Disposals	-	-	(28,272)	(26,721)	-	(54,993)
Write-off	(4,428)	-	(87,002)	-	(465)	(91,895)
Revaluation adjustments	439,817	-	-	-	-	439,817
Transfer to intangible assets (note 9 (a))	-	-	-	-	(94)	(94)
Transfer (to)/from right of use asset (note 6)	(214)	-	5,351	762	-	5,899
Transfer to inventories*	-	-	(21,761)	-	-	(21,761)
Transfer from investment property (note 7)	10,826	-	-	-	-	10,826
Acquisition of subsidiary (note 37)	95,932	-	111,249	1,258	-	208,439
Transfer from / (to) assets in progress	66,082	-	19,288	-	(85,370)	-
Transfer from held for sale (note 38)	44,304	4,704	76,840	10,707	7,023	143,578
Transfer within class of assets	(34,260)	-	34,999	(739)	-	-
At June 30, 2023	**3,757,512**	**88,637**	**3,433,850**	**179,515**	**268,223**	**7,727,737**
ACCUMULATED DEPRECIATION						
At July 01, 2021	74,783	39,115	2,441,356	117,872	884	2,674,010
Charge for the year	59,349	4,097	165,906	20,579	-	249,931
Disposals	(104)	-	(11,271)	(15,021)	-	(26,396)
Write-off	-	-	(311,628)	(980)	-	(312,608)
Transfer from right of use asset (note 6)	-	-	6,780	7,418	-	14,198
Acquisition of subsidiary (note 37)	10,735	-	160,537	17,141	-	188,413
Reclassified as held for sale (note 38)	(25,123)	-	(37,326)	(8,024)	-	(70,473)
At June 30, 2022	119,640	43,212	2,414,354	138,985	884	2,717,075
Charge for the year	67,782	4,108	180,595	18,837	-	271,322
Disposals	-	-	(26,951)	(25,626)	-	(52,577)
Write-off	(4,115)	-	(86,669)	-	-	(90,784)
Revaluation adjustments	(182,152)	-	-	-	-	(182,152)
Transfer from right of use asset (note 6)	504	-	5,351	762	-	6,617
Transfer from intangible assets (note 9 (a))	70	-	-	-	-	70
Acquisition of subsidiary (note 37)	(9,587)	-	88,466	482	-	79,361
Transfer from held for sale (note 38)	26,593	2,544	58,119	11,264	-	98,520
Transfer within class of assets	10,279	-	(9,298)	(981)	-	-
At June 30, 2023	**29,014**	**49,864**	**2,623,967**	**143,723**	**884**	**2,847,452**
CARRYING AMOUNT						
At June 30, 2023	**3,728,498**	**38,773**	**809,883**	**35,792**	**267,339**	**4,880,285**
At June 30, 2022	2,955,073	40,721	609,716	43,788	127,079	3,776,377

* In the financial year 2023, Rs 21.8m was transferred to inventory. In 2022, Rs 12.8m relating to land being converted to a saleable condition was transferred to land development inventory.

Bank borrowings are secured by fixed and floating charges over the assets of the Group.

Following the representation of the discontinuing operation to continuing operation Rs 7.2m has been included in depreciation charge for the year in the statement of cash flows.

THE COMPANY	Freehold land and buildings	Land improvements	Plant and equipment	Motor vehicles	Asset in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST OR VALUATION						
At July 01, 2021	1,334,789	43,126	2,336,224	101,627	17,690	3,833,456
Additions	13,817	-	143,339	19,188	86,057	262,401
Disposals	-	-	(19,219)	(12,685)	-	(31,904)
Write-off	-	-	(309,425)	(980)	-	(310,405)
Transfer from assets in progress	-	-	17,689	-	(17,689)	-
At June 30, 2022	1,348,606	43,126	2,168,608	107,150	86,058	3,753,548
Additions	50,217	-	205,491	3,644	178,357	437,709
Disposals	-	-	(20,340)	(16,286)	-	(36,626)
Write-off	(4,115)	-	(19,639)	-	-	(23,754)
Transfer to inventories*	-	-	(21,761)	-	-	(21,761)
Transfer from assets in progress	63,344	-	712	-	(64,056)	-
Revaluation adjustments	236,249	-	-	-	-	236,249
Transfer within class of assets	(34,260)	-	34,999	(739)	-	-
Transfer to investment property (note 7)	(16,495)	-	-	-	-	(16,495)
Transfer to right of use asset (note 6)	(214)	-	-	-	-	(214)
At June 30, 2023	**1,643,332**	**43,126**	**2,348,070**	**93,769**	**200,359**	**4,328,656**
ACCUMULATED DEPRECIATION						
At July 01, 2021	74,256	32,858	1,972,080	72,879	-	2,152,073
Charge for the year	32,023	2,156	122,843	13,641	-	170,663
Disposals	-	-	(15,603)	(11,052)	-	(26,655)
Write-off	-	-	(309,425)	(980)	-	(310,405)
At June 30, 2022	106,279	35,014	1,769,895	74,488	-	1,985,676
Charge for the year	40,421	2,156	125,325	11,805	-	179,707
Disposals	-	-	(19,945)	(15,877)	-	(35,822)
Revaluation adjustments	(87,083)	-	-	-	-	(87,083)
Write-off	(4,115)	-	(19,639)	-	-	(23,754)
Transfer within class of assets	10,109	-	(9,128)	(981)	-	-
Transfer from investment property (note 7)	1,284	-	-	-	-	1,284
Transfer from right of use asset (note 6)	504	-	-	-	-	504
Transfer from intangible assets (note 9 (a))	70	-	-	-	-	70
At June 30, 2023	**67,469**	**37,170**	**1,846,508**	**69,435**	**-**	**2,020,582**
CARRYING AMOUNT						
At June 30, 2023	**1,575,863**	**5,956**	**501,562**	**24,334**	**200,359**	**2,308,074**
At June 30, 2022	1,242,327	8,112	398,713	32,662	86,058	1,767,872

* In the financial year 2023, Rs 21.8m was transferred to inventory (2022: there were no transfers to inventory).

Bank borrowings are secured by fixed and floating charges over the assets of the Company.

(b) *Revaluation of land and buildings*

The fair value of the freehold land and buildings were determined by Chasteau Doger De Speville Ltd, an independent valuer. The date of the revaluation was June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Revaluation of land and buildings (Continued)

Freehold land is revalued by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. Freehold land is classified as level 2. The significant input is the price per square metre which ranges between Rs 119 and Rs 7,699.

The fair value of buildings was determined using the depreciated replacement cost approach, which reflects the value by computing the current cost of replacing the property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and economic obsolescence. Buildings have been classified as level 3. The significant unobservable input is the depreciation rate which ranges between 4%-75%.

Details of the Group's and the Company's buildings and information about the fair value hierarchy as at June 30, 2023 are as follows:

	Buildings			
	2023		2022	
Reconciliation of carrying amount	**THE GROUP**	**THE COMPANY**	THE GROUP	THE COMPANY
	Rs'000	**Rs'000**	Rs'000	Rs'000
Carrying amount as at July 01,	**906,862**	**361,875**	859,027	367,307
Additions for the year	**64,740**	**50,217**	44,384	13,817
Transfers	**84,340**	**63,344**	(44,241)	-
Revaluation	**554,098**	**284,342**	-	-
Depreciation for the year	**(67,782)**	**(40,421)**	(59,349)	(19,249)
Disposals	**-**	**-**	(99)	-
Acquisition of subsidiary (note 37)	**105,519**	**-**	82,017	-
Reclassification (depreciation)	**(70)**	**-**	25,123	-
Carrying amount and fair value as at June 30,	**1,647,707**	**719,357**	906,862	361,875

The cost, accumulated depreciation and net book values of the land and buildings, had they been stated at historical cost would be as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost	**1,829,654**	1,764,914	**1,265,419**	1,220,378
Accumulated depreciation	**(879,554)**	(811,772)	**(521,465)**	(495,653)
Net book value	**950,100**	953,142	**743,954**	724,725

The Directors have reviewed the carrying value of the land and buildings and other items of property, plant and equipment and are of the opinion that as at June 30, 2023, the carrying value has not suffered any impairment except those disclosed elsewhere.

6. RIGHT OF USE ASSETS

THE GROUP

	Land and buildings	Plant and machinery	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 01, 2021	64,798	83,887	66,755	215,440
Additions	1,338	82,439	23,451	107,228
Acquisition of subsidiary (note 37)	-	8,680	114,920	123,600
Write-off	-	-	(8,042)	(8,042)
Disposals	-	-	(2,235)	(2,235)
Transfer to property, plant and equipment (note 5)	-	(12,600)	(7,418)	(20,018)
Transfer to assets held for sale	(5,211)	-	-	(5,211)
Elimination adjustment on derecognition from deemed disposal of associate	(3,540)	-	-	(3,540)
At June 30, 2022	57,385	162,406	187,431	407,222
Additions	3,717	68,732	81,770	154,219
Transfer from/(to) property, plant and equipment (note 5)	214	-	(6,113)	(5,899)
Transfer from held for sale (note 38)	4,842	-	-	4,842
Derecognition	-	(4,333)	(1,487)	(5,820)
Reassessment	660	2,011	-	2,671
At June 30, 2023	**66,818**	**228,816**	**261,601**	**557,235**
ACCUMULATED DEPRECIATION				
At July 01, 2021	13,088	23,828	47,434	84,350
Elimination adjustment on derecognition from deemed disposal of associate	(944)	-	-	(944)
Charge for the year	8,387	18,693	17,472	44,552
Transfer to property, plant and equipment (note 5)	-	(6,780)	(7,418)	(14,198)
Acquisition of subsidiary (note 37)	-	4,358	31,243	35,601
Write-off	-	-	(5,705)	(5,705)
Disposals	-	-	(2,235)	(2,235)
At June 30, 2022	20,531	40,099	80,791	141,421
Charge for the year	8,166	38,445	33,525	80,136
Transfer to property, plant and equipment (note 5)	(504)	-	(6,113)	(6,617)
Derecognition	-	(2,804)	(1,487)	(4,291)
At June 30, 2023	**28,193**	**75,740**	**106,716**	**210,649**
CARRYING AMOUNT				
At June 30, 2023	**38,625**	**153,076**	**154,885**	**346,586**
At June 30, 2022	36,854	122,307	106,640	265,801

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

6. RIGHT OF USE ASSETS (CONTINUED)

The Group has options to purchase certain plant and machinery and motor vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of the lease liabilities are presented in note 20(b)(i).

	2023	2022
Amounts recognised in profit or loss	**Rs'000**	Rs'000
Depreciation expense on right-of-use assets	**80,136**	44,552
Interest expense on lease liabilities (note 27)	**19,405**	11,523
	99,541	56,075

At June 30, 2023, the Group did not have any commitment for short-term leases.

THE COMPANY

	Plant and equipment	Land and buildings	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000
COST				
At July 01, 2021	25,748	13,382	2,144	41,274
Additions	74,575	610	4,253	79,438
At June 30, 2022	100,323	13,992	6,397	120,712
Transfer from property, plant and equipment (note 5)	-	214	-	214
Reassessment	2,011	179	-	2,190
Additions	50,408	-	18,989	69,397
At June 30, 2023	**152,742**	**14,385**	**25,386**	**192,513**
ACCUMULATED DEPRECIATION				
At July 01, 2021	5,308	1,941	1,501	8,750
Charge for the year	10,288	2,553	821	13,662
At June 30, 2022	15,596	4,494	2,322	22,412
Transfer to property, plant and equipment (note 5)	-	(504)	-	(504)
Charge for the year	24,373	2,167	4,129	30,669
At June 30, 2023	**39,969**	**6,157**	**6,451**	**52,577**
CARRYING AMOUNT				
At June 30, 2023	**112,773**	**8,228**	**18,935**	**139,936**
At June 30, 2022	84,727	9,498	4,075	98,300

The Company has options to purchase certain land and buildings and motor vehicles for a nominal amount at the end of the lease term. The Company's obligations are secured by the lessors' title to the leased assets for such leases.

	2023	2022
Amounts recognised in profit or loss	**Rs'000**	Rs'000
Depreciation expense on right-of-use assets	**30,669**	13,662
Interest expense on lease liabilities (note 27)	**7,273**	2,870
	37,942	16,532

At June 30, 2023, the Company did not have any commitment for short-term leases.

7. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
COST				
At July 01,	**115,673**	128,673	**501,438**	482,971
Reclassification (to)/from property, plant and equipment (note 5)	**(10,826)**	-	**16,495**	-
Transfer to inventories (note 15)	**-**	(13,000)	**-**	-
Additions	**-**	-	**6,692**	18,467
At June 30,	**104,847**	115,673	**524,625**	501,438
ACCUMULATED DEPRECIATION				
At July 01,	**56,027**	52,292	**288,430**	269,355
Reclassification to property, plant and equipment (note 5)	**-**	-	**(1,284)**	-
Charge for the year	**2,104**	3,735	**18,053**	19,075
At June 30,	**58,131**	56,027	**305,199**	288,430
CARRYING AMOUNT				
At June 30,	**46,716**	59,646	**219,426**	213,008

The investment properties were revalued on June 30, 2023 by an external independent valuer. The valuation was carried out at that date by Chasteau Doger De Speville Ltd. Fair value is determined by reference to market based evidence; that is, the valuations are based on active market prices, adjusted for any differences in the nature, location or condition of a specific property. The fair value at June 30, 2023 was Rs 232.2m (2022: Rs 200m) for the Group and Rs 813.9m (2022: Rs 633m) for the Company. The rental income arising during the year amounted to Rs 13m (2022: Rs 12.3m) for the Group and for the Company Rs 46.2m (2022: Rs 45.3m). Direct operating expenses incurred on the investment properties for the Company during the year was Rs 0.1m (2022: Rs 0.1m) and Nil (2022: Nil) for the Group. Investment properties valued using the income approach have been classified as level 2 amounting to Rs 77.1m (2022: Rs 60m) and those valued using the depreciated replacement cost have been classified as level 3 amounting to Rs 155m (2022: Rs 140m). The significant input for level 2 is the price per square metre and for level 3, it is the depreciation rate.

There has been no change in the valuation technique during the year. The Group and the Company have no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties.

The Directors have reviewed the carrying value of the investment properties and are of the opinion that as at June 30, 2023, the carrying value has not suffered any impairment.

8. BEARER BIOLOGICAL ASSETS

	THE GROUP
Plant canes	**2023**
	Rs'000
At July 01,	**-**
Expenditure during the year	**1,125**
At June 30,	**1,125**

Other information:	**2023**
Area harvested (Arpents)	**38**
Cost per Arpent (Rs)	**29,678**

The Directors made an assessment of the carrying value of the bearer plants as at June 30, 2023 and concluded that no impairment was required based on their forecasts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

9(a). INTANGIBLE ASSETS

	THE GROUP					THE COMPANY
	Computer Software	Goodwill	Customer relationships	Brand name	Total	Computer Software
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST						
At July 01, 2021	136,706	134,103	-	-	270,809	45,030
Additions	16,229	-	-	-	16,229	2,423
Acquisition of subsidiary (note 37)	1,749	340,686	20,627	60,838	423,900	-
Write-off	(1,935)	-	-	-	(1,935)	(26)
Disposal	(1,841)	-	-	-	(1,841)	-
Work in progress	5,384	-	-	-	5,384	5,384
At June 30, 2022	156,292	474,789	20,627	60,838	712,546	52,811
Additions	23,324	-	-	-	23,324	3,260
Acquisition of subsidiary (note 37)	1,249	120,195	-	-	121,444	-
Transfer from plant and equipment (note 5)	94	-	-	-	94	-
Write-off	(959)	-	-	-	(959)	-
Work in progress	1,123	-	-	-	1,123	1,123
At June 30, 2023	**181,123**	**594,984**	**20,627**	**60,838**	**857,572**	**57,194**
ACCUMULATED AMORTISATION AND IMPAIRMENT						
At July 01, 2021	71,926	128,671	-	-	200,597	28,497
Amortisation charge	19,278	-	2,750	-	22,028	4,862
Write-off	(291)	-	-	-	(291)	(26)
Impairment loss	-	340,686	-	-	340,686	-
Disposal	(1,841)	-	-	-	(1,841)	-
At June 30, 2022	89,072	469,357	2,750	-	561,179	33,333
Amortisation charge	23,318	-	4,125	-	27,443	5,432
Transfer to plant and equipment (note 5)	(70)	-	-	-	(70)	(70)
Write-off	(959)	-	-	-	(959)	-
Acquisition of subsidiary (note 37)	1,077	-	-	-	1,077	-
At June 30, 2023	**112,438**	**469,357**	**6,875**	**-**	**588,670**	**38,695**
CARRYING AMOUNT						
At June 30, 2023	**68,685**	**125,627**	**13,752**	**60,838**	**268,902**	**18,499**
At June 30, 2022	67,220	5,432	17,877	60,838	151,367	19,478

Before recognition of impairment losses, the carrying amount of goodwill indefinite lives have been allocated to the following cash-generating units:

	2023	2022
Amounts recognised in profit or loss	**Rs'000**	Rs'000
Agriculture	**5,432**	5,432
Core business	**460,881**	340,686
	466,313	346,118

Agriculture

Compagnie de Gros Cailloux Limitée

The recoverable amount of that cash generating unit (CGU) has been determined using the fair value less costs to sell model of properties. Fair value less cost to sell is adjusted for with other assets and liabilities of the CGU. No impairment was required as a result of the analysis.

The fair value less costs to sell calculation is most sensitive to the following main assumption:

Selling prices - The prices are obtained from the relevant bodies and adjusted for expected changes for future periods.

Management believes that reasonably possible changes in the above assumption will not cause the carrying amount of the CGU to materially exceed its recoverable amount. A 5% decrease in the unit selling price will still result in a recoverable amount lower than the carrying amount.

Core business

Flacq Associated Stonemasters Limited (FAST)

On March 31, 2023, the Group acquired Flacq Associated Stonemasters Limited ("FAST") and recorded a goodwill of Rs 120.2m. The recoverable amount is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five year period and a discount rate of 13.60% per annum.

The Directors have reviewed the carrying value of goodwill at June 30, 2023 and are of the opinion that no impairment losses need to be recognised.

Premix Ltd (formerly known as Pre-Mixed Concrete Ltd)

On October 27, 2021, the Group exercised its first right of refusal in the acquisition of Premix Ltd after considering the CGU's synergies (note 37) to the Group. The recoverable amount is based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five year period and a range of discount rate of 14.45% to 15.54% per annum. However, the purchase price agreed and paid was significantly higher than the net asset value of the CGU at the acquisition date.

The Directors have consequently determined to write off the goodwill directly related to Premix Ltd as the goodwill will not be sustained in future years. No other write-down of the assets of Premix Ltd is considered necessary.

In 2022, impairment losses amounting to Rs 340.7m were attributable to the CGU of Premix Ltd to reflect the loss in value of the CGU. These were done for certain non-operating and loss making units. The impairment losses were recognised in profit or loss for year ended June 30, 2022 under impairment of assets line item (note 25(c)).

9(b). LAND CONVERSION RIGHTS

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
At July 01,	**27,198**	25,622
Fair value movement	**-**	1,576
At June 30,	**27,198**	27,198

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

LCR is recognised as a non-current asset and is initially measured at fair value at the date on which the Company is entitled to receive those rights, that is when there is reasonable assurance that the LCR will be received and all the attached conditions will be complied with. The level of the fair value hierarchy within which the fair value measurement is categorised is level 2. LCRs are derecognised upon disposal (i.e. the date the recipient obtains control), or use for converting agricultural land into residential land for land projects. Any gain or loss on derecognition of the LCR is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

10. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
At July, 01	**1,316,261**	1,035,634
Additions (a)	**248,118**	395,259
Transfer from investment in associates (note 11)	**-**	96,805
Transfer from financial assets at fair value through other comprehensive income (note 12 (a))	**25,623**	-
Impairment (c) / (f)	**(6,560)**	(211,437)
Transfer from assets classified as held for sale (note 38)	**22,428**	-
At June, 30	**1,605,870**	1,316,261

	THE COMPANY	
	2023	2022
Analysed as follows:	**Rs'000**	Rs'000
Unquoted equity instruments	**1,181,630**	892,021
Interest free loans	**424,240**	424,240
	1,605,870	1,316,261

The Directors have assessed the recoverable amount of the investments and are of the opinion that the carrying amount has not suffered further impairment, other than that disclosed in note (c) below.

Particulars of interests in the Group's subsidiary companies:

	Country of incorporation	2023 % Holding		2022 % Holding	
OPERATIONAL		**Direct**	**Indirect**	Direct	Indirect
Flacq Associated Stonemasters Limited (FAST) (a)/(e)	Mauritius	**100.0**	**-**	9.47	-
Premix Ltd (formerly known as Pre-Mixed Concrete Ltd) (a)/(f)	Mauritius	**100.0**	**-**	100.0	-
Espace Maison Ltée	Mauritius	**100.0**	**-**	100.0	-
Compagnie de Gros Cailloux Limitée	Mauritius	**100.0**	**-**	100.0	-
Société d'Investissement Rodriguais	Mauritius	**100.0**	**-**	100.0	-
Welcome Industries Ltd	Mauritius	**-**	**75.9**	-	75.9
UBP International Ltd	Mauritius	**100.0**	**-**	100.0	-
UBP Madagascar (b)/(c) / (d)	Madagascar	**100.0**	**-**	100.0	-
United Granite Products (Private) Limited (b)/(c)/(d)	Sri-Lanka	**-**	**77.0**	-	77.0
Sainte Marie Crushing Plant Limited	Mauritius	**76.5**	**-**	76.5	-
Société des Petits Cailloux	Mauritius	**-**	**76.5**	-	76.5
Drymix Ltd (a)	Mauritius	**71.8**	**-**	71.8	-
Drymat SAS (Reunion)	Reunion	**-**	**80.0**	-	80.0
UBP Coffrages Ltée	Mauritius	**100.0**	**-**	100.0	-
DORMANT					
Pricom Ltd	Mauritius	**100.0**	**-**	100.0	-

(a) On March 31, 2023, the Company acquired the remaining 90.53% shares in Flacq Associated Stonemasters Limited (FAST) for Rs 244.8m.

In 2022, the Company acquired the remaining 51% shares in Premix Ltd (formerly known as Pre-Mixed Concrete Ltd) for Rs 285.4m and also acquired an additional 17.24% of the issued shares of Drymix Ltd for a purchase consideration of Rs 96.4m.

(b) During the year, unsecured and interest free loans of Rs 1m (2022: Rs 10.1m) and Rs 2.3m (2022: Rs 3.3m) advanced to UBP Madagascar and United Granite Products Limited respectively were accounted under investments further to management's approval.

(c) *Impairment losses, key assumptions used and sensitivity*

The Company has investments in its overseas subsidiaries of Rs 25.7m at June 30, 2023 (2022: Rs 35.8m). The impairment losses recorded during the year amounted to Rs 3.3m (2022: Rs 13.4m). These subsidiaries have been making losses over the past years and are not operating at full capacity. The Company also recorded impairment losses of Rs 3.3m (2022: nil).

In determining the recoverable amount of investment in subsidiaries, management considered the estimated recoverable amounts of the main underlying asset that each subsidiary owns, that is, property. The valuation of these properties by the management was done under the guidance of in-country experts. The level of the fair value hierarchy within which the fair value measurement is categorised is level 3. The main assumptions are area of property, estimated price and discount factors. Management applied discount rates between 30-55% where appropriate to the values of the property.

Management used reasonable assumptions in preparing the recoverable amount computation but recognise that continuous losses and operational challenges may have a further significant impact on the recoverable amount of the investment in overseas subsidiaries.

(d) During the year, the Malagasy subsidiary, UBP Madagascar, and the Sri Lankan subsidiary, United Granite Products (Private) Limited have been reclassified from held for sale (note 38) to continuing operations.

(e) Following a review of the carrying value and the recoverable amount of Flacq Associated Stonemasters Limited (FAST) as at reporting date, the Directors noted that the recoverable amount is higher than its carrying value and are of the opinion that no impairment losses need to be recognised.

(f) In 2022, following a review of the carrying value and the recoverable amount of Premix Ltd (formerly known as Pre-Mixed Concrete Ltd) as at reporting date, the Directors noted that the recoverable amount was lower than its carrying value and recognised an impairment loss of Rs 198m.

Summarised financial information of subsidiaries that have material non-controlling interests, based on their IFRS financial statements and before inter-company eliminations are provided below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

10. INVESTMENT IN SUBSIDIARIES (CONTINUED)

	Drymix Ltd	Welcome Industries Ltd	United Granite Products (Private) Limited	Sainte Marie Crushing Plant Limited
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Proportion of non-controlling interests	28.17%	24.10%	23.00%	23.50%
Financial position				
Non-current assets	162,985	46,903	21,187	118,311
Current assets	182,893	31,460	16,279	22,969
Non-current liabilities	(46,662)	(6,492)	(1,297)	(11,838)
Current liabilities	(104,023)	(16,871)	(168,860)	(16,855)
Net assets / (shareholders' deficit)	195,193	55,000	(132,691)	112,587
Carrying amounts of non-controlling interests	54,986	13,255	(30,519)	26,458
Comprehensive income				
Revenue	523,021	70,807	8,878	109,064
Profit / (loss) for the year	27,026	7,767	(17,740)	10,993
Other comprehensive income / (loss)	26,904	9,803	(8,998)	21,868
Total comprehensive income / (loss)	53,930	17,570	(26,738)	32,861
Profit / (loss) allocated to non-controlling interests	7,613	1,872	(4,080)	2,583
Total comprehensive income / (loss) allocated to non-controlling interests	15,192	4,234	(6,150)	7,722
Cash flows				
Operating activities	51,223	26,619	(5,957)	7,268
Investing activities	(21,392)	(13,839)	-	(6,874)
Financing activities	(14,515)	(16,419)	-	(2,000)
Net increase / (decrease) in cash and cash equivalents	15,316	(3,639)	(5,957)	(1,606)

	Drymix Ltd	Welcome Industries Ltd	United Granite Products (Private) Limited	Sainte Marie Crushing Plant Limited
	Rs'000	Rs'000	Rs'000	Rs'000
2022				
Proportion of non-controlling interests	28.17%	24.10%	23.00%	23.50%
Financial position				
Non-current assets	125,391	31,774	19,204	92,010
Current assets	179,137	47,112	21,023	29,332
Non-current liabilities	(39,286)	(9,174)	(965)	(8,351)
Current liabilities	(114,894)	(26,176)	(191,929)	(31,263)
Net assets / (shareholders' deficit)	150,348	43,536	(152,667)	81,728
Carrying amounts of non-controlling interests	42,353	10,492	(35,113)	19,206
Comprehensive income				
Revenue	467,031	69,851	32,290	101,398
Profit / (loss) for the year	21,818	12,593	(2,739)	9,110
Other comprehensive income	1,723	3,129	-	1,711
Total comprehensive income / (loss)	23,541	15,722	(2,739)	10,821
Profit / (loss) allocated to non-controlling interests	6,146	3,035	(630)	2,141
Total comprehensive income / (loss) allocated to non-controlling interests	6,631	3,789	(630)	2,543
Cash flows				
Operating activities	7,320	19,010	4,593	24,787
Investing activities	(21,486)	(23,738)	1,505	(19,424)
Financing activities	9,664	(95)	-	(2,000)
Net (decrease) / increase in cash and cash equivalents	(4,502)	(4,823)	6,098	3,363

11. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Unquoted				
At July 01,	**69,801**	183,635	**7,163**	103,968
Share of profit	**13,523**	10,678	**-**	-
Share of other comprehensive income	**4,623**	4,655	**-**	-
Transfer to investment in subsidiaries (note 10)	**-**	-	**-**	(96,805)
Deemed disposal during the year (a)	**-**	(115,993)	**-**	-
Dividend received	**(12,765)**	(13,174)	**-**	-
At June 30,	**75,182**	69,801	**7,163**	7,163

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

11. INVESTMENT IN ASSOCIATES (CONTINUED)

Details pertaining to the interests in associates are as follows:

Name of company	Principal activities	Country of incorporation	Proportion of ownership interest (direct & indirect)	
			2023	2022
Cement Transport Ltd	Operating a fleet of bulk cement transport truck, tractors and tankers.	Mauritius	**25.0%**	25.0%
Terrarock Ltd	Manufacture and sale of building materials.	Mauritius	**46.0%**	46.0%
Prochimad Mines et Carrières SARL	Mine operations.	Madagascar	**34.0%**	34.0%
Compagnie Mauricienne d'Entreprise Ltée	Renting of properties.	Mauritius	**20.0%**	20.0%

(a) On October 27, 2021, the Group acquired the remaining 51% shareholding in Premix Ltd (formerly known as Pre-Mixed Concrete Ltd) thereby obtaining control over the entity. Summarised financial information of the associates that are material to the Group, based on their IFRS financial statements, and reconciliation with the carrying amount of the investment in the Group's financial statements are set out below:

THE GROUP	Terrarock Ltd	Compagnie Mauricienne d'Entreprise Ltée
2023	**Rs'000**	**Rs'000**
Financial position		
Non-current assets	**110,592**	**74,913**
Cash and cash equivalents	**4,192**	**10,389**
Other current assets	**42,814**	**600**
Current trade and other payables	**(20,083)**	**(404)**
Non-current liabilities	**(17,877)**	**(2,967)**
Equity	**119,638**	**82,531**
Proportion of Group's ownership	**46%**	**20%**
Carrying amount of investments	**55,033**	**16,506**
Statement of profit or loss and other comprehensive income		
Revenue	**198,606**	**3,860**
Other income	**7,690**	**967**
Depreciation and amortisation	**(12,168)**	**-**
Other expenses	**(163,281)**	**(1,953)**
Profit before tax	**30,847**	**2,874**
Income tax expense	**(1,541)**	**(562)**
Profit for the year	**29,306**	**2,312**
Other comprehensive income	**57,883**	**-**
Total comprehensive income	**87,189**	**2,312**
Group's share of profit	**13,481**	**462**
Group's share of total comprehensive income	**40,107**	**462**

THE GROUP	Terrarock Ltd	Compagnie Mauricienne d'Entreprise Ltée
2022	**Rs'000**	**Rs'000**
Financial position		
Non-current assets	65,591	74,904
Cash and cash equivalents	250	7,364
Other current assets	43,735	1,977
Current trade and other payables	(35,140)	(1,049)
Non-current liabilities	(14,237)	(2,978)
Equity	60,199	80,218
Proportion of Group's ownership	46.0%	20.0%
Carrying amount of investments	27,692	16,044
Statement of profit or loss and other comprehensive income		
Revenue	193,617	7,125
Other income	2,369	200
Depreciation and amortisation	(15,710)	-
Other expenses	(156,291)	(683)
Profit before tax	23,985	6,642
Income tax (expense) / income	(4,173)	630
Profit for the year	19,812	7,272
Other comprehensive income	1,697	-
Total comprehensive income	21,509	7,272
Group's share of profit	9,114	1,454
Group's share of total comprehensive income	9,894	1,454

Aggregate information on individually immaterial associates.

	GROUP	
	2023	2022
	Rs'000	Rs'000
Carrying amount of investments	**3,643**	4,065
Group's share of (loss) / profit for the year	**(422)**	88
Group's share of total comprehensive (loss) / income	**(422)**	88

The associates had no other capital commitments or contingent liabilities as at June 30, 2023 and 2022 except as disclosed in note 32 and note 33 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

12. NON-CURRENT FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at fair value through other comprehensive income (note 12 (a))	**14**	18,480	**14**	18,480
Financial assets at fair value through profit or loss (note 12 (b))	**2,278**	2,307	**1,488**	1,488
	2,292	20,787	**1,502**	19,968

(a) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unquoted equity shares
THE GROUP AND THE COMPANY	**Rs'000**
At July 01, 2021	12,046
Fair value movement	6,434
At June 30, 2022	18,480
Transfer to investments (note 10)	(25,623)
Fair value movement	7,157
At June 30, 2023	**14**

(b) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Quoted equity shares	Unquoted equity shares	Total
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**
At July 01, 2021	382	2,256	2,638
Fair value movement (note 25)	(9)	(322)	(331)
At June 30, 2022	373	1,934	2,307
Fair value movement (note 25)	(12)	(17)	(29)
At June 30, 2023	**361**	**1,917**	**2,278**

	Unquoted equity shares
THE COMPANY	**Rs'000**
At June 30, 2023 and 2022	**1,488**

(c) FAIR VALUE HIERARCHY

The following table provides an analysis of financial assets at FVOCI and FVTPL categorised according to the fair value hierarchy disclosures in note 2.3 (b).

2023	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	14	14
Financial assets at fair value through profit or loss	361	-	1,917	2,278

2023	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	14	14
Financial assets at fair value through profit or loss	-	-	1,488	1,488

2022	THE GROUP			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	18,480	18,480
Financial assets at fair value through profit or loss	373	-	1,934	2,307

2022	THE COMPANY			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	-	-	18,480	18,480
Financial assets at fair value through profit or loss	-	-	1,488	1,488

Movement in level 3 financial assets

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At July 01,	20,414	14,302	19,968	13,534
Transfer to investments (note 10)	(25,623)	-	(25,623)	-
Net unrealised changes in fair value of financial assets	7,140	6,112	7,157	6,434
At June 30,	1,931	20,414	1,502	19,968

Valuation techniques

Unlisted equity investments classified as level 3

The Group invests in companies which are not quoted in an active market. Transaction in such investments do not occur on a regular basis. The Group uses a market based valuation technique for these positions. The valuation process for the investments is completed on a yearly basis and is designed to determine a reasonable fair value while subjecting the valuation of such investment to an appropriate level of review. Yearly valuations are performed at Group level by the Directors. For assets classified as level 3, the finance professionals are responsible for documenting preliminary valuations based on their collection of financial and operating data, company specific developments, market valuation of comparable companies and model projections, among other factors. The Board then reviews the preliminary valuations and all inputs for accuracy and reasonableness. The Board finally approves all investment valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

12. NON-CURRENT FINANCIAL ASSETS (CONTINUED)

(c) FAIR VALUE HIERARCHY (CONTINUED)

Quantitative and qualitative information of unobservable inputs - Level 3

In 2023, the Company acquired the remaining shares in Flacq Associated Stonemasters Limited (FAST) and the entity became a subsidiary (note 37)

Private equity investments	2022	Valuation techniques	Unobservable inputs	Range	Sensitivity used	Effect on fair value
	Rs'000					Rs'000
Flacq Associated Stonemasters Limited (FAST)	18,480	Market comparables	Discount of lack of marketability	50%	+/- 5%	+/- 924

In 2022, no disclosures have been made for the remaining financial assets of Rs 1.9m for the Group and Rs 1.5m for the Company as sensivity and effect on fair value are insignificant.

13. INCOME TAX

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) In the statements of profit or loss and other comprehensive income:				
Income tax on the adjusted profit for the year	**3,701**	9,550	**-**	-
Corporate social responsibility tax	**2,994**	4,956	**1,579**	3,233
Under provision of corporate social responsibility tax	**1,660**	86	**1,253**	86
Under provision of income tax in previous year	**4,303**	1,598	**1,657**	353
Over provision of deferred tax in previous years	**(6,631)**	(8,031)	**(6,993)**	(661)
Deferred tax credit	**(12,573)**	(6,537)	**(3,904)**	(10,432)
Tax (income) / expense	**(6,546)**	1,622	**(6,408)**	(7,421)
Amount in other comprehensive income				
Deferred tax on actuarial gains and losses	**(21,200)**	(13,911)	**(18,860)**	(9,657)
Deferred tax on revaluation gain on buildings	**(90,809)**	-	**(48,338)**	-

Income tax is calculated at the rate of 17% (2022: 17%) on profit for the year as adjusted for income tax purposes inclusive of Corporate Social Responsibility (CSR) charged at 2% (2022: 2%). Following the amendments introduced by the Finance (Miscellaneous Provisions) Act 2021, the Company is eligible to a 15% tax credit on capital expenditure over 3 years, as from the year the investment is made, less any investment tax it has been allowed in the past in respect of the same capital expenditure.

	THE GROUP 2023 Rs'000	THE GROUP 2022 Rs'000	THE COMPANY 2023 Rs'000	THE COMPANY 2022 Rs'000
(b) In the statements of financial position:				
At July 01,	**(2,342)**	8,853	**(9,142)**	6,202
Payment during the year	**(29,300)**	(22,581)	**(8,036)**	(16,912)
Tax withheld	**(121)**	(2,321)	**-**	(2,105)
Under provision of corporate social responsibility tax	**1,660**	86	**1,253**	87
Under provision of income tax in previous year	**4,303**	1,598	**1,657**	353
Acquisition through business combination	**(463)**	(2,483)	**-**	-
Refund received during the year	**4,290**	-	**-**	-
Income tax expense	**6,694**	14,506	**1,579**	3,233
At June 30,	**(15,279)**	(2,342)	**(12,689)**	(9,142)
Analysed as:				
Income tax receivable	**(15,827)**	(10,218)	**(12,689)**	(9,142)
Income tax payable	**548**	7,876	**-**	-
	(15,279)	(2,342)	**(12,689)**	(9,142)
(c) Deferred tax:				
Deferred tax assets	**23,151**	23,813	**-**	-
Deferred tax liabilities	**(153,030)**	(55,831)	**(73,407)**	(17,106)
Net deferred tax liabilities	**(129,879)**	(32,018)	**(73,407)**	(17,106)
(d) Deferred tax liabilities				
Movement in deferred tax:				
At July 01,	**(32,018)**	(46,975)	**(17,106)**	(18,540)
Income tax effect recognised in other comprehensive income	**(112,009)**	(13,919)	**(67,198)**	(9,657)
Over provision of deferred tax in previous years	**6,631**	8,031	**6,993**	659
Acquisition of subsidiary	**(5,056)**	14,308	**-**	-
Deferred tax credit	**12,573**	6,537	**3,904**	10,432
At June 30,	**(129,879)**	(32,018)	**(73,407)**	(17,106)

Deferred tax asset on unused tax losses of Rs 54.4m (2022: Rs 103.2m) has not been recognised in respect of these tax losses due to the unpredictability of future profit streams to utilise these losses.

	THE GROUP Rs'000
Expiry of tax losses	
2025	**10,394**
2026	**22,919**
2027	**17,482**
2028	**3,650**
	54,445

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

13. INCOME TAX (CONTINUED)

(e) Deferred tax assets and liabilities are attributable to the following:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Deferred tax liabilities	**Rs'000**	Rs'000	**Rs'000**	Rs'000
- Accelerated capital allowances	**(112,143)**	(114,466)	**(84,300)**	(92,312)
- Deferred tax on revaluation gain	**(120,220)**	(26,843)	**(48,337)**	-
	(232,363)	(141,309)	**(132,637)**	(92,312)
Deferred tax assets				
- Employee benefit liabilities	**49,203**	68,216	**34,060**	55,014
- Allowance for expected credit losses	**29,003**	26,253	**9,494**	8,992
- Provision for obsolete stock	**19,432**	14,822	**15,676**	11,200
- Unutilised tax losses	**4,846**	-	**-**	-
	102,484	109,291	**59,230**	75,206
Net deferred tax liabilities	**(129,879)**	(32,018)	**(73,407)**	(17,106)

(f) The tax on profit before taxation differs from the theoretical amount that would arise using the basic income tax rate as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit / (loss) before tax	**135,464**	(55,091)	**94,362**	(109,312)
Tax calculated at the rate of 17%	**23,544**	(9,575)	**16,042**	(18,583)
Tax effect of :				
Non-allowable expenses	**32,268**	54,260	**12,016**	44,508
Income exempt from tax	**(27,298)**	(7,858)	**(14,428)**	(7,328)
Under provision of corporate social responsibility tax	**1,660**	86	**1,253**	86
Under provision of income tax in previous year	**4,303**	1,598	**1,657**	353
Over provision of deferred tax in previous years	**(6,631)**	(8,031)	**(6,993)**	(661)
Other deductibles	**(16,027)**	(1,546)	**(4,112)**	(1,546)
Investment tax credit	**(18,365)**	(27,312)	**(11,843)**	(24,250)
Tax (income) / expense	**(6,546)**	1,622	**(6,408)**	(7,421)

(g) There are no income tax consequences attached to the payment of dividends by the Group to its shareholders in either 2023 or 2022.

14. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP			
	Vegetables	Standing Cane	Plants	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 01, 2021	16,813	3,439	34,175	54,427
Production	44,645	16,979	64,331	125,955
Sales	(32,008)	(8,594)	(42,403)	(83,005)
Fair value movement	(6,318)	(4,797)	(9,176)	(20,291)
At June 30, 2022	23,132	7,027	46,927	77,086
Production	49,535	14,992	49,538	114,065
Sales	(49,082)	14,401	(52,909)	(87,590)
Fair value movement	7,321	(24,944)	17,413	(210)
At June 30, 2023	**30,906**	**11,476**	**60,969**	**103,351**

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

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

Vegetables	**2023**	2022
Expected area to harvest (ha)	**58**	59
Discount factor (%)	**9**	9

Standing cane	**2023**	2022
Expected area to harvest (ha)	**97**	80
Estimated yields (%)	**10.24**	10.30
Estimated price of sugar - Rs (per ton)	**25,000**	17,000

Plants	**2023**	2022
Expected area to harvest (ha)	**8**	8
Maximum maturity of plants at June 30,	**1 year**	1 year

(b) Description of significant inputs to valuation:

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value:
Standing cane	Discounted cash flows	Cane yield per hectare: 35.0 ton/Ha (2022: 34.7 ton/Ha)	1% increase/(decrease) in cane yield per Ha would result in increase/(decrease) in fair value by Rs 163,184 (2022: Rs 11,152)
		Price of sugar: Rs 25,000/ton (2022: Rs 17,000/ton)	5% increase/(decrease) in the price of sugar would result in increase/(decrease) in fair value by Rs 844,331 (2022: Rs 557,589)
		WACC: 10.5% (2022: 8.51%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 1,407 (2022: Rs 734)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

14. CONSUMABLE BIOLOGICAL ASSETS (CONTINUED)

(b) Description of significant inputs to valuation (Continued):

	Valuation technique	Significant unobservable inputs	Sensitivity of the input to value:
Plants	Discounted cash flows	Average price of plants : Rs 329 (2022: Rs 224)	5% increase/(decrease) in price of plants would result in increase/(decrease) in fair value by Rs 3,106,687 (2022: Rs 2,882,903)
		Mortality rate: 3% (2022: 3%)	5% increase/(decrease) in mortality rate would result in (decrease)/increase in fair value by Rs 3,352,133 (2022: Rs 2,889,299)
		WACC: 18.5% (2022: 18%)	1% increase/(decrease) in WACC would result in (decrease)/increase in fair value by Rs 753,576 (2022: Rs 54,176)
Vegetables	Discounted cash flows	Discount factor: 9.1% (2022: 8.8%)	1% increase/(decrease) in discount factor would result in (decrease)/increase in fair value by Rs 76,786 (2022: Rs 57,473)
		Price of vegetables: Rs 15,000-Rs 29,000 (2022: Rs 10,500-Rs 26,500)	5% increase/(decrease) in the price of vegetables would result in increase/(decrease) in fair value by Rs 2,120,240 (2022: Rs 1,606,374)

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials and spares (at cost)	**550,838**	404,877	**401,396**	308,046
Properties under development (a)	**9,528**	26,659	**-**	-
Work in progress (at cost)	**25,390**	58,079	**17,244**	55,312
Finished goods (at lower of cost and net realisable value)	**631,140**	665,835	**107,742**	92,414
Goods in transit	**43,983**	63,143	**16,860**	30,213
	1,260,879	1,218,593	**543,242**	485,985

The amount of write down of inventories, recognised as an expense in cost of sales was Rs 10.5m (2022: Rs 17.2m) for the Group and Rs 5.2m (2022: Rs 10m) for the Company. Included in finished goods are inventories carried at net realisable value of Rs 1.6m (2022: Rs 7.5m) for the Group.

(a) Properties under development

In 2022, Compagnie de Gros Cailloux Limitée announced its intention to develop and sell some plots of agricultural land and consequently these assets are presented as inventory. The costs are assigned by specific identification and include the cost of acqisition and ongoing development costs.

16. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**417,362**	425,906	**137,217**	120,309
Loan receivable from subsidiary	**-**	-	**218,601**	193,885
Receivables from subsidiaries	**-**	-	**225,042**	193,952
Receivables from associates	**60**	25,060	**12,153**	25,060
Other receivables	**49,008**	38,877	**15,514**	25,807
Prepayments	**95,104**	74,275	**43,085**	36,438
	561,534	564,118	**651,612**	595,451

Trade receivables are non-interest bearing and are generally on 30 days' terms.

Other receivables comprise of advances made to suppliers, amounts due from related entities amongst others.

Other receivables are non-interest bearing and having an average term of 6 months.

For terms and conditions relating to receivables from related parties, refer to note 30.

The fair values of the trade and other receivables approximate their carrying amounts.

As at June 30, 2023, the Group's and the Company's trade receivables amounting to Rs 181m (2022: Rs 160.5m) and Rs 43.8m (2022: Rs 42.2m) were impaired and provided for.

See note 4(b) on credit risk of trade receivables, which explains how the Group manages and measures the credit quality of trade receivables that are neither past due nor impaired.

The movement in the allowance for credit loss of trade receivables were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Individually and collectively impaired				
At July 01,	**160,470**	67,923	**42,204**	31,876
Movement for the year excluding write off	**17,281**	21,487	**1,948**	10,451
Write back / (write-off)	**3,232**	(5,147)	**(313)**	(123)
Acquisition of subsidiary	**-**	76,207	**-**	-
At June 30,	**180,983**	160,470	**43,839**	42,204

An allowance for expected credit loss has also been charged for other receivables amounting to Rs 11.5m (2022: Rs 12.3m) for the Company and a charge of Rs 1.6m (2022: Rs 6m) for the Group.

17. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Other receivables	**6,675**	6,518	**-**	-

This balance is included in note 16 under other receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

18. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash at banks and on hand comprise of the following at June 30:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash at banks and on hand	**100,543**	43,698	**1,112**	8,265
Bank overdraft (note 20)	**(436,482)**	(342,408)	**(340,478)**	(262,696)
	(335,939)	(298,710)	**(339,366)**	(254,431)

The acquisition of property, plant and equipment was financed as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Non-cash transactions	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Total acquisition cost	**623,305**	387,816	**456,911**	278,755
Financed by cash	**(595,260)**	(381,130)	**(438,361)**	(262,534)
Financed by finance leases	**28,045**	6,686	**18,550**	16,221

19. EQUITY

(a) Issued capital

	THE GROUP AND THE COMPANY			
	2023	2022	**2023**	2022
	Number of shares	Number of shares	**Rs'000**	Rs'000
Ordinary shares of no par value - At June 30,	**26,510,042**	26,510,042	**265,100**	265,100

(b) Reserves

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Share premium	**7,354**	7,354	**7,354**	7,354
Associate companies (i)	**89,616**	84,993	**-**	-
Revaluation reserve (ii)	**2,316,971**	1,861,283	**1,094,242**	819,248
Fair value reserve of financial assets through OCI (iii)	**-**	17,414	**-**	17,414
Translation reserve (iv)	**10,407**	7,071	**-**	-
Retained earnings	**1,525,994**	1,198,533	**1,547,466**	1,330,041
	3,950,342	3,176,648	**2,649,062**	2,174,057

(i) Associate companies represent reserves other than retained earnings arising on equity accounting of associates.

(ii) The revaluation reserve represents the cummulative fair value movements on revaluation of land and buildings.

(iii) Fair value reserve of financial assets through OCI represents the cummulative fair value changes on FVOCI assets.

(iv) The translation reserve represents the cummulative exchange differences arising from the translation of the financial statements of overseas operations.

20. INTEREST-BEARING LOANS AND BORROWINGS

(a) Loans and bank overdrafts

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans (note (i))	**459,034**	269,143	**429,536**	227,143
Long Term Secured Promissory Note (note(iii))	**-**	650,000	**-**	650,000
	459,034	919,143	**429,536**	877,143
Current				
Bank overdrafts (note 18)	**436,482**	342,408	**340,478**	262,696
Bank loans (note (i))	**415,486**	251,857	**400,657**	237,857
Unsecured loans (note (ii))	**7,734**	25,990	**25,210**	66,317
Long Term Secured Promissory Note (note(iii))	**655,975**	3,386	**655,975**	3,386
	1,515,677	623,641	**1,422,320**	570,256
Total borrowings	**1,974,711**	1,542,784	**1,851,856**	1,447,399

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Bank loans are payable as follows:				
Within one year	**415,486**	251,857	**400,657**	237,857
After one year and before two years	**459,034**	269,143	**429,536**	227,143
	874,520	521,000	**830,193**	465,000

Bank loans and overdrafts are secured by fixed and floating charges on the Group's assets and bear interest between +4.08% and +7.75% per annum.

(ii) Unsecured loans were repayable at call, the rates of interest per annum at June 30, 2023 was 7.41% (2022: 3.25%).

(iii) In October and November 2018, the Company took a Long Term Secured Promissory Note of Rs 650m. These bear interest at a key rate +1.0% and are fully repayable in October 2023 through a bank loan. These notes are secured by a floating charge over all assets.

(b) Lease liabilities

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Lease liabilities are split as follows:				
Non-current	**279,324**	220,995	**110,327**	79,517
Current	**83,282**	61,957	**34,171**	22,204
	362,606	282,952	**144,498**	101,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

20. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities (Continued)

(i) Maturity analysis of lease payments

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Year 1	104,970	71,604	42,623	26,905
Year 2	95,982	48,217	42,732	26,613
Year 3	76,541	42,400	36,649	26,713
Year 4	65,047	33,205	28,683	20,755
Year 5	37,939	72,394	9,450	12,974
Onwards	28,926	46,166	5,568	54
	409,405	313,986	165,705	114,014

The Group does not face significant liquidity risk with regards to its lease liabilities. All the lease obligations are denominated in Mauritian Rupees.

(c) Changes in financial liabilities arising from financing activities

2023	July 01,	Cash inflows	Other	Cash outflows	June 30,
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities	282,952	-	156,763	(77,109)	362,606
Bank loans	521,000	1,327,933	-	(974,413)	874,520
Unsecured loans	25,990	2,528,752	158	(2,547,166)	7,734
Long Term Secured Promissory Note	653,386	-	5,971	(3,382)	655,975
	1,483,328	3,856,685	162,892	(3,602,070)	1,900,835
THE COMPANY					
Lease liabilities	101,721	-	70,936	(28,159)	144,498
Bank loans	465,000	1,324,400	-	(959,207)	830,193
Unsecured loans	66,317	2,616,252	975	(2,658,334)	25,210
Long Term Secured Promissory Note	653,386	-	5,971	(3,382)	655,975
	1,286,424	3,940,652	77,882	(3,649,082)	1,655,876

2022	July 01,	Cash inflows	Other	Cash outflows	June 30,
THE GROUP	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Lease liabilities	132,563	-	196,185	(45,796)	282,952
Bank loans	145,000	615,000	-	(239,000)	521,000
Unsecured loans	32,485	893,500	14,365	(914,360)	25,990
Long Term Secured Promissory Note	653,098	-	3,384	(3,096)	653,386
	963,146	1,508,500	213,934	(1,202,252)	1,483,328
THE COMPANY					
Lease liabilities	33,747	-	79,317	(11,343)	101,721
Bank loans	75,000	615,000	-	(225,000)	465,000
Unsecured loans	46,308	933,950	736	(914,677)	66,317
Long Term Secured Promissory Note	653,098	-	3,384	(3,096)	653,386
	808,153	1,548,950	83,437	(1,154,116)	1,286,424

The 'Other' column includes non-cash transactions such as additions to finance leases, dividend declaration during the year, movement in discontinued operations during the year and interest accrued but not yet paid on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

21. EMPLOYEE BENEFIT LIABILITIES

The Group operates defined benefits schemes and defined contribution schemes. It also provides for retirement gratuities under the Workers' Rights Act 2019 (WRA).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

The liabilities in respect of the schemes are analysed as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Defined benefit plan - IBL Pension Fund (note a)	**165,972**	259,917	**122,058**	210,418
Defined benefit plan - Deposit Administration Policy (note b)	**7,871**	9,559	**-**	-
Retirement gratuities under the Workers' Rights Act (WRA) (note c)	**104,953**	137,224	**68,812**	100,750
Retirement gratuities under pension for life (note d)	**373**	418	**-**	-
Retirement gratuities under unfunded pensioners' (note e)	**9,481**	12,446	**9,481**	12,446
	288,650	419,564	**200,351**	323,614

(a) Defined benefit plan - IBL Pension Fund

The assets of the plan are invested in the IBL Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to Equities, we expect some volatility in the return from one year to the other.

(i) The amounts recognised in the statements of financial position in respect of defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligation	**575,621**	645,681	**443,047**	515,692
Fair value of plan assets	**(409,649)**	(385,764)	**(320,989)**	(305,274)
Benefit liability	**165,972**	259,917	**122,058**	210,418

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**259,917**	284,369	**210,418**	227,593
Amounts recognised in profit or loss	**33,804**	39,557	**22,864**	27,789
Amounts recognised in other comprehensive income	**(90,576)**	(25,739)	**(81,667)**	(14,679)
Employer's contribution	**(37,173)**	(38,270)	**(29,557)**	(30,285)
At June 30,	**165,972**	259,917	**122,058**	210,418

(ii) Changes in the present value of the defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**645,681**	650,208	**515,692**	520,288
Amounts recognised in profit or loss:				
Current service cost	**21,191**	24,026	**13,521**	15,895
Interest cost	**25,683**	31,461	**19,703**	24,610
	46,874	55,487	**33,224**	40,505
Benefit paid	**(22,467)**	(16,099)	**(21,156)**	(15,314)
Amounts recognised in other comprehensive income:				
Gains due to changes in financial assumptions	**(84,256)**	(32,870)	**(84,713)**	(29,787)
Actuarial gains	**(10,292)**	(11,147)	**-**	-
	(94,548)	(44,017)	**(84,713)**	(29,787)
Employee's contribution	**81**	102	**-**	-
At June 30,	**575,621**	645,681	**443,047**	515,692

(iii) Changes in the fair value of plan assets are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**385,764**	365,839	**305,274**	292,695
Amounts recognised in profit or loss:				
Current cost	**(1,416)**	(1,363)	**(1,085)**	(1,046)
Cost of insuring risk benefits	**(950)**	(974)	**(590)**	(603)
Interest income	**15,436**	18,267	**12,035**	14,365
	13,070	15,930	**10,360**	12,716
Benefit paid	**(22,467)**	(16,099)	**(21,156)**	(15,314)
Amounts recognised in other comprehensive income:				
Losses due to changes in financial assumptions	**(204)**	(15,108)	**(3,046)**	-
Actuarial losses	**(3,768)**	(3,170)	**-**	(15,108)
	(3,972)	(18,278)	**(3,046)**	(15,108)
Employer's contribution	**37,173**	38,270	**29,557**	30,285
Employee's contribution	**81**	102	**-**	-
At June 30,	**409,649**	385,764	**320,989**	305,274

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(a) Defined benefit plan - IBL Pension Fund (Continued)

(iv) Return on assets

The actual return on plan assets for the Company was (Rs 0.6m) for the year ended June 30, 2023.

The actual return on plan assets for the Group was (Rs 0.9m) for the year ended June 30, 2023.

(v) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities for the Group and the Company as at June 30, 2023 is 12.5 years and 11 years respectively.

(vi) Expected contribution for the next year

The Group and the Company are expected to contribute Rs 40m and Rs 30m respectively to the pension scheme for the year ending June 30, 2024.

The main actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**5.0-6.0**	3.9-5.0	**5.3**	3.9
Future salary increase	**1.0**	1.0	**1.0**	1.0

Mortality during active service is assumed to follow that of the standard table known as A67/70 Ultimate. Mortality after retirement is assumed to follow that of the standard table known as the SWAN annuity rates 2023/PNA00 and PA90.

Employees are assumed to retire at 60. No allowance has been made for early retirement on the grounds of ill-health or otherwise, or for late retirements.

(vii) Settlements and curtailments

There have been no events that would need to be treated as settlements or curtailments under IAS 19.

(viii) Risks associated with the plans

The Defined Benefit Plans expose the Group and the Company to actuarial risks such as longevity risk, interest rate risk, market (investment) risk and salary risk.

Longevity risk

The liabilities disclosed are based on the mortality tables SWAN annuity rates 2023/PNA00 and PA90.

The liabilities will increase if:

1. the experience of the pension plans is less favourable than the standard mortality tables; and

2. there is an improvement in mortality and the buyout rate is reviewed.

Interest rate risk

If the bond interest rate decreases, the liabilities would be calculated using a lower discount rate and would therefore increase.

Investment risk

The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise. (For funded benefits only).

Salary risk

If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

Sensitivity analysis on defined benefit obligation at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2023	2022	**2023**	2022
Discount rate	**Rs'000**	Rs'000	**Rs'000**	Rs'000
1% increase	**(63,397)**	(76,868)	**(47,538)**	(59,784)
1% decrease	**77,857**	96,111	**57,849**	74,342
Salary increase				
1% increase	**28,484**	34,767	**19,087**	24,043
1% decrease	**(25,100)**	(30,426)	**(16,940)**	(21,174)

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

The funded retirement benefit obligations have been based on the report dated August 28, 2023 from Swan Actuarial Services Ltd, calculated for the Group and the Company for the year ended June 30, 2023.

(ix) The major categories of the planned assets are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Local equities	**31.9**	33.4	**32.0**	33.6
Overseas equities and mutual funds	**34.5**	34.8	**34.8**	35.0
Fixed interest	**33.1**	31.3	**33.2**	31.4
Property	**0.5**	0.5	**-**	-
	100.0	100.0	**100.0**	100.0

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Defined benefit plan - Deposit Administration Policy

The assets of the plan are invested in the Deposit Administration Policy underwritten by SWAN Life which is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as Equity Funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% p.a.

(i) The amounts recognised in the statements of financial position in respect of defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of funded obligation	**33,296**	34,620	**-**	-
Fair value of plan assets	**(25,425)**	(25,061)	**-**	-
Benefit liability	**7,871**	9,559	**-**	-

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**9,559**	-	**-**	-
Acquisition of subsidiary	**-**	21,321	**-**	-
Amounts recognised in profit or loss	**1,933**	1,709	**-**	-
Amounts recognised in other comprehensive income	**(2,169)**	(11,525)	**-**	-
Employer's contribution	**(1,452)**	(1,946)	**-**	-
At June 30,	**7,871**	9,559	**-**	-

(ii) Changes in the present value of the defined benefit obligation are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**34,620**	-	**-**	-
Acquisition of subsidiary	**-**	43,834	**-**	-
Amounts recognised in profit or loss:				
Current service cost	**1,355**	876	**-**	-
Interest cost	**1,568**	1,387	**-**	-
	2,923	2,263	**-**	-
Benefit paid	**(2,530)**	(250)	**-**	-
Amounts recognised in other comprehensive income:				
Actuarial gains	**(1,717)**	(11,227)	**-**	-
At June 30,	**33,296**	34,620	**-**	-

		THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
(iii)	**Changes in the fair value of plan assets are as follows:**				
	At July 01,	**25,061**	-	**-**	-
	Acquisition of subsidiary	**-**	22,513	**-**	-
	Amounts recognised in profit or loss:				
	Current cost	**(59)**	(74)	**-**	-
	Cost of insuring risk benefits	**(100)**	(110)	**-**	-
	Interest income	**1,149**	738	**-**	-
		990	554	**-**	-
	Benefit paid	**(2,530)**	(250)	**-**	-
	Amounts recognised in other comprehensive income:				
	Actuarial gains	**452**	298	**-**	-
	Employer's contribution	**1,452**	1,946	**-**	-
	At June 30,	**25,425**	25,061	**-**	-

(iv) Return on assets

The actual return on plan assets for the Group was Rs 1.6m for the year ended June 30, 2023.

(v) Maturity profile of the defined benefit obligation

The weighted average duration of the liabilities for the Group as at June 30, 2023 is 11 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(b) Defined benefit plan - Deposit Administration Policy (Continued)

(vi) Expected contribution for the next year

The Group is expected to contribute Rs 2.5m to the pension scheme for the year ending June 30, 2024.

The main actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Discount rate	**5.3**	4.7	**-**	-
Future salary increase	**1.0**	1.0	**-**	-
Future guaranteed pension increase	**0.0**	0.0	**-**	-
Post retirement mortality	**Swan Annuity Rates 2023**	Swan Annuity Rates 2022	**-**	-

Sensitivity analysis on defined benefit obligation at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2023	2022	**2023**	2022
Discount rate	**Rs'000**	Rs'000	**Rs'000**	Rs'000
1% increase	**(3,361)**	(2,788)	**-**	-
1% decrease	**3,936**	3,266	**-**	-
Salary increase				
1% increase	**2,858**	2,873	**-**	-
1% decrease	**(2,495)**	(2,489)	**-**	-

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

The funded retirement benefit obligations have been based on the report dated August 28, 2023 from Swan Actuarial Services Ltd, calculated for the Group and the Company for the year ended June 30, 2023.

(vii) The major categories of the planned assets are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	%	%	**%**	%
Qualifying insurances policies	**100.0**	100.0	**-**	-

(c) Retirement gratuities under the Workers' Rights Act (WRA)

WRA provides for a lump sum at retirement or death, whichever occurs earlier, based on final salary and years of service. Prior to the implementation of the Portable Retirement Gratuity Fund (PRGF), these benefits were unfunded as at December 31, 2019 and employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from January 01, 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity). However, as from January 2022, the Group and the Company have started to contribute to PRGF.

The Group and the Company have recognised a net defined liabilities of Rs 105m and Rs 68.8m respectively in the statements of financial position as at June 30, 2023 (2022: Group Rs 137.2m and Company Rs 100.8m) in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees under the Workers' Rights Act 2019.

The retirement gratuities have been based on the report dated August 21, 2023 from AON Solutions Ltd, calculated for the Group and the Company for the year ended June 30, 2023.

The amounts recognised in the statements of financial position in respect of retirement gratuities are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	120,799	143,339	80,016	105,433
Fair value of PRGF assets	(15,846)	(6,115)	(11,204)	(4,683)
Benefit liability	104,953	137,224	68,812	100,750

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	137,224	174,061	100,750	138,423
Acquisition of subsidiary	6,276	4,784	-	-
Amounts recognised in profit or loss	15,080	20,826	10,294	15,369
Benefit paid	1	-	-	-
Amounts recognised in other comprehensive income	(35,208)	(49,686)	(27,539)	(42,752)
Employer's contribution	(19,717)	(12,761)	(14,693)	(10,290)
Transfer from discontinuing operation (note 38)	1,297	-	-	-
At June 30,	104,953	137,224	68,812	100,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(c) Retirement gratuities under the Workers' Rights Act (WRA)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
(i) Movement in the liability recognised in the statements of financial position:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**120,799**	143,339	**80,016**	105,433
(ii) Movement of the retirement gratuities				
At July 01,	**143,339**	174,061	**105,433**	138,423
Acquisition of subsidiary	**6,723**	4,784	**-**	-
Amounts recognised in profit or loss:				
Current service cost	**9,229**	12,683	**5,702**	9,055
Interest expense	**6,069**	8,143	**4,592**	6,314
Past service cost	**267**	-	**-**	-
	15,565	20,826	**10,294**	15,369
Amounts recognised in other comprehensive income:				
Liability experience gains	**(10,985)**	(5,096)	**(9,817)**	(4,106)
Gains due to changes in financial assumptions	**(24,708)**	(44,590)	**(17,722)**	(38,646)
	(35,693)	(49,686)	**(27,539)**	(42,752)
Benefit paid	**(10,432)**	(6,646)	**(8,172)**	(5,607)
Transfer from discontinuing operation (note 38)	**1,297**	-	**-**	-
At June 30,	**120,799**	143,339	**80,016**	105,433

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(iii) Changes in the fair value of PRGF assets are as follows:				
At July 01,	**6,115**	-	**4,683**	-
Acquisition of subsidiary	**447**	-	**-**	-
Amounts recognised in profit or loss:				
Interest income	**485**	-	**-**	-
Benefit paid	**(10,433)**	(6,646)	**(8,172)**	(5,607)
Amounts recognised in other comprehensive income:				
Actuarial losses	**(485)**	-	**-**	-
Employer's contribution	**19,717**	12,761	**14,693**	10,290
At June 30,	**15,846**	6,115	**11,204**	4,683

Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial assumptions:	**%**	%	**%**	%
Discount rate	**4.7 - 5.5**	2.4 - 5.0	**5.5**	4.6
Future salary increase	**1.0 - 4.0**	1.0 - 4.0	**1.0 - 4.0**	1.0 - 4.0
Future pension increase	**1.9**	1.9	**1.9**	1.9

Demographic assumptions:

Withdrawal before retirement	5% per annum to age 40, reducing to nil after age 45.
Mortality before retirement	A1967/70(2) Ultimate
Mortality in retirement	PA90 (rated down by 2 years)
Average retirement age	65.

(iv) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
1% increase in discount rate	**(11,598)**	(14,674)	**(7,348)**	(10,139)
1% decrease in discount rate	**13,663**	17,338	**8,620**	11,920
1% increase in future salary increase	**13,699**	16,682	**8,660**	10,806
1% decrease in future salary increase	**(12,873)**	(20,702)	**(8,438)**	(15,388)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate and future salary increase while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(c) Retirement gratuities under the Workers' Rights Act (WRA) (Continued)

(v) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The expected employer contribution for the next year is Rs 13.9m. (2022: Rs 13.5m)

-The weighted average duration of the defined benefit obligation for both the Group and the Company is 10 years.

(d) Retirement gratuities under pension for life

The plan provides for a pension for life paid from one of the subsidiary of the Group's cashflow.

The amounts recognised in the statements of financial position in respect of retirement gratuities under pension for life plan are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**373**	418	**-**	-

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**418**	610	-	-
Amounts recognised in profit or loss	**8**	12	-	-
Benefit paid	**(149)**	(149)	-	-
Amounts recognised in other comprehensive income	**96**	(55)	-	-
At June 30,	**373**	418	-	-

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Movement in the liability recognised in the statements of financial position:				
Present value of retirement gratuities	**373**	418	**-**	-
(ii) Movement of the retirement gratuities				
At July 01,	**418**	610	**-**	-
Amount recognised in profit or loss:				
Interest expense	**8**	12	**-**	-
Amount recognised in other comprehensive income:				
Losses / (gains) due to changes in financial assumptions	**96**	(55)	**-**	-
Benefit paid	**(149)**	(149)	**-**	-
At June 30,	**373**	418	**-**	-

(iii) Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial assumptions:	**%**	%	**%**	%
Discount rate	**4.70**	2.4	-	-
Demographic assumptions:				
Post retirement mortality tables	**PNA00**			

(iv) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
1% increase in discount rate	**(7)**	(9)	-	-
1% decrease in discount rate	**8**	10	-	-

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate and future salary increase while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(v) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The weighted average duration of the defined benefit obligation for the Group is 3 years (2022: 3 years)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

21. EMPLOYEE BENEFIT LIABILITIES (CONTINUED)

(e) Retirement gratuities under unfunded pensioners

The Company pays a pension out of its cashflow to some former employees after retirement.

The amounts recognised in the statements of financial position in respect of retirement gratuities under unfunded pension plan are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Present value of retirement gratuities	**9,481**	12,446	9,481	12,446
Fair value of assets	**-**	-	-	-
Benefit liability	**9,481**	12,446	9,481	12,446

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 01,	**12,446**	12,822	**12,446**	12,822
Amounts recognised in profit or loss	**494**	507	**494**	507
Benefit paid	**-**	(1,508)	**-**	(1,508)
Amounts recognised in other comprehensive income	**(2,094)**	625	**(2,094)**	625
Employer's contribution	**(1,365)**	-	**(1,365)**	-
At June 30,	**9,481**	12,446	**9,481**	12,446

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Movement in the liability recognised in the statements of financial position:				
Present value of retirement gratuities	**9,481**	12,446	**9,481**	12,446
(ii) Movement of the retirement gratuities				
At July 01,	**12,446**	12,822	**12,446**	12,822
Amount recognised in profit or loss:				
Interest expense	**494**	507	**494**	507
Amount recognised in other comprehensive income:				
Liability experience losses	**489**	320	**489**	320
(Gains) / losses due to changes in financial assumptions	**(2,583)**	305	**(2,583)**	305
	(2,094)	625	**(2,094)**	625
Benefit paid	**(1,365)**	(1,508)	**(1,365)**	(1,508)
At June 30,	**9,481**	12,446	**9,481**	12,446

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(iii) Changes in the fair value of assets are as follows:				
At July 01,	**-**	-	-	-
Benefit paid	**(1,365)**	-	(1,365)	-
Employer's contribution	**1,365**	-	1,365	-
At June 30,	**-**	-	-	-

(iv) Principal assumptions used were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Financial assumptions:	**%**	%	**%**	%
Discount rate	**5.4**	4.2	**5.4**	4.2

(v) Sensitivity analysis on retirement gratuities at the end of the year:

	THE GROUP		THE COMPANY	
	Impact		Impact	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
1% increase in discount rate	**(594)**	(937)	**(594)**	(937)
1% decrease in discount rate	**686**	1,110	**686**	1,110

(vi) Future cash flows

-The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.

-The expected employer contribution for the next year is Rs 1.4m. (2022: Rs 1.5m)

-The weighted average duration of the defined benefit obligation for the Group and the Company is 7 years.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(f) Defined contribution expenses	**12,586**	9,939	**5,893**	6,141

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(g) State plan	**32,649**	28,421	**18,797**	17,324

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

22. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**294,484**	350,538	**55,924**	59,330
Payables to subsidiaries	**-**	-	**21,742**	35,384
Payables to associates	**10,062**	15,758	**-**	-
Other payables and accruals	**363,558**	220,699	**247,185**	139,610
	668,104	586,995	**324,851**	234,324

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Other payables are non-interest bearing and have an average term of six months.

For terms and conditions relating to payables to related parties, refer to note 30.

Other payables comprise mainly of accruals, deferred income and deposits from customers amongst others.

The carrying amounts of trade and other payables approximate their fair values.

As at 30 June 2023, the estimated liability for unredeemed points was Rs 4.3m (2022: Rs 4.4m) and is included in other payables and accruals for the Group.

23. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Advance from customers	**8,965**	10,797	**-**	-

Advance from customers are included in note 22 under other payables and accruals.

24. REVENUE

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sale of goods	**4,441,676**	3,868,802	**2,001,711**	1,807,111
Rendering of services	**241,220**	204,733	**156,115**	145,531
	4,682,896	4,073,535	**2,157,826**	1,952,642

(a) Disaggregation of revenue

Set out below is the disaggregation of the Group and Company's revenue:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Sale of building materials	**3,005,295**	2,603,280	**2,001,711**	1,807,111
Sale of goods (interior finishes and garden accessories)	**1,210,203**	1,141,732	**-**	-
Sale of agricultural goods	**161,294**	123,790	**-**	-
Rendering of services	**156,115**	145,531	**156,115**	145,531
Project revenue	**85,105**	59,202	**-**	-
Sale of land	**64,884**	-	**-**	-
	4,682,896	4,073,535	**2,157,826**	1,952,642
Timing of revenue recognition				
At a point in time	**4,597,791**	4,014,333	**2,157,826**	1,952,642
Over time	**85,105**	59,202	**-**	-
	4,682,896	4,073,535	**2,157,826**	1,952,642

25. OPERATING PROFIT

Operating profit is arrived at after:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Crediting:				
- Rental income	**17,872**	17,101	**46,207**	45,510
- Other operating income	**111,897**	106,160	**114,844**	74,917
- Profit on disposal of property, plant and equipment	**8,568**	5,064	**6,396**	6,629
(b) Charging:				
- Cost of sales	**3,318,754**	2,846,064	**1,515,697**	1,311,105
- Administrative expenses	**1,162,551**	1,063,278	**688,851**	646,299
- Fair value loss on financial assets at fair value through profit or loss (11 (b))	**29**	331	**-**	-
- Selling and distribution costs	**92,242**	87,446	**7,618**	8,948
Depreciation of property, plant and equipment	**271,322**	249,931	**179,707**	170,663
Depreciation of investment properties	**2,104**	3,735	**18,053**	19,075
Amortisation of right of use assets	**80,136**	44,552	**30,669**	13,662
Property, plant and equipment written off	**1,111**	65	**-**	-
Intangible assets written off	**-**	1,644	**-**	-
Right of use assets written off	**-**	2,377	**-**	-
Right of use assets derecognised	**(716)**	-	**-**	-
Cost of inventories recognised as expenses	**1,980,409**	1,980,409	**748,160**	748,160
Fair value movement on land conversion rights	**-**	1,576	**-**	-
Amortisation of intangible assets	**27,443**	22,028	**5,432**	4,862
Staff costs (note (f))	**800,224**	766,999	**422,146**	457,452

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

25. OPERATING PROFIT (CONTINUED)

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(c) Impairment of assets				
- Impairment in interest in subsidiaries	**-**	-	**6,560**	211,437
- Impairment of goodwill from acquisition of subsidiary	**-**	340,686	**-**	-
- Impairment of plant and machinery on discontinuing operations	**-**	7,414	**-**	-
	-	348,100	**6,560**	211,437
(d) Allowance for expected credit losses on financial assets				
- Trade receivables	**17,281**	21,487	**1,948**	10,451
- Other receivables	**1,818**	1,794	**1,818**	1,793
	19,099	23,281	**3,766**	12,244
(e) Gain on deemed disposal of associate	**-**	158,236	**-**	-

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(f) Included in cost of sales and administrative expenses are:				
Analysis of staff costs:				
- Wages and salaries	**657,498**	627,441	**359,917**	392,241
- Social security costs	**33,921**	30,188	**18,801**	17,332
- Pension costs	**108,805**	109,370	**43,428**	47,879
	800,224	766,999	**422,146**	457,452

26. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**957**	2,075	**74,617**	36,290
Interest income	**-**	50	**12,917**	8,518
	957	2,125	**87,534**	44,808

27. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest expense on :				
Bank overdrafts	**11,545**	8,032	**9,315**	7,451
Bank loans	**38,622**	6,681	**35,941**	4,246
Loans at call	**3,577**	1,872	**8,997**	2,785
Long Term Secured Promissory Note	**30,795**	18,952	**30,795**	18,952
Leases (note 6)	**19,405**	11,523	**7,273**	2,870
Others	**3,630**	12,430	**3,632**	7,481
	107,574	59,490	**95,953**	43,785

28. EARNINGS / (LOSS) PER SHARE

	THE GROUP	
	2023	2022
Profit / (loss) attributable to equity holders of the parent (Rs'000)	**133,660**	(67,553)
Number of shares in issue	**26,510,042**	26,510,042
Basic earnings / (loss) per share (Rs)	**5.04**	(2.55)

29. DIVIDENDS

In 2023, no dividend was declared or paid by the Company. In 2022, the Board of Directors declared a final dividend of Rs 3.00 per share on May 11, 2022 which amounted to Rs 79.5m and was paid on June 16, 2022. Dividend amounting to Rs 4.9m was declared by subsidiaries to non-controlling interests parties (2022: Rs 6.7m) and Rs 4.3m (2022: Rs 6.7m) was still unpaid at year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

30. RELATED PARTY DISCLOSURES

THE GROUP	Associate companies		Key management personnel		Enterprises with common major shareholders	
	2023	2022	**2023**	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
(a) Nature of transactions						
Purchase of goods and services	**59,796**	26,612	**-**	-	**117,525**	138,803
Sale of goods and services	**87,598**	101,042	**1,005**	1,517	**16,275**	53,041
Management fees received	**3,603**	2,775	**-**	-	**5,523**	9,653
Rental income	**-**	-	**-**	-	**8,184**	7,946
Interest paid	**121**	267	**-**	-	**6,200**	1,611
Dividend income	**12,765**	13,174	**-**	-	**957**	2,075
Contribution to Pension Fund	**-**	-	**-**	-	**38,625**	40,216
(b) Outstanding balances at June 30,						
Cash at bank	**-**	-	**-**	-	**64**	356
Amounts receivable	**60**	25,060	**93**	802	**3,964**	20,281
Amounts payable	**10,062**	15,758	**-**	-	**26,838**	33,446
Loans payable	**7,733**	5,318	**-**	-	**1**	20,672

(c) Compensation of key management personnel

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Short term employee benefits	**127,772**	140,055
Post-employment benefits	**15,138**	13,135
	142,910	153,190

THE COMPANY	Subsidiary companies		Associate companies		Key management personnel		Enterprises with common major shareholders	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) Nature of transactions								
Purchase of goods and services	**26,391**	6,239	**11,871**	120	**-**	-	**93,234**	107,079
Purchase of property, plant and equipment	**800**	932	**-**	-	**-**	-	**16,900**	-
Sale of goods and services	**371,793**	283,314	**87,405**	100,995	**155**	171	**27,122**	43,833
Sale of property, plant and equipment	**163**	-	**-**	-	**-**	-	**-**	6,650
Management fees received	**12,717**	10,228	**300**	2,775	**-**	-	**6,449**	9,653
Rental income	**36,164**	36,126	**-**	-	**-**	-	**8,184**	7,946
Interests received	**12,917**	8,504	**-**	-	**-**	-	**-**	-
Interest paid	**1,709**	907	**121**	267	**-**	-	**6,469**	1,611
Dividend income	**60,925**	20,962	**12,765**	13,174	**-**	-	**927**	2,075
Contribution to Pension Fund	**-**	-	**-**	-	**-**	-	**29,557**	30,285
(b) Outstanding balances at June 30,								
Cash at bank	**-**	-	**-**	-	**-**	-	**64**	356
Amounts receivable	**225,042**	193,952	**12,513**	25,060	**-**	-	**14,454**	17,948
Amounts payable	**21,742**	35,384	**-**	-	**-**	-	**19,241**	25,300
Loans receivable	**218,601**	193,885	**-**	-	**-**	-	**-**	-
Loans payable	**17,246**	40,322	**7,733**	5,318	**-**	-	**231**	20,677

(c) Compensation of key management personnel

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Short term employee benefits	**79,545**	99,717
Post-employment benefits	**10,813**	9,566
	90,358	109,283

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

30. RELATED PARTY DISCLOSURES (CONTINUED)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. At each financial year, an assessment of provision for impairment is undertaken through examining the financial position of the related party and the market in which the related party operates. For the year ended June 30, 2023, the Group has no impairment of receivables relating to amounts owed by related parties (2022: Rs Nil). The Company has recorded an impairment of Rs 6.6m during the year ended June 30, 2023 (2022: Rs 211.4m) relating to related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

31. CONTRACTS OF SIGNIFICANCE

Except for transactions as disclosed in note 30 on related party transactions, the Group did not have any contract of significance as defined by the Listing Rules of the Stock Exchange of Mauritius Ltd with any of its Directors and controlling shareholders.

32. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
Capital expenditure:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Contracted for but not provided in the financial statements	**2,154**	167,896	**-**	130,980
Approved by the Directors but not contracted for	**392,569**	566,084	**245,252**	386,466
	394,723	733,980	**245,252**	517,446

The expenditure for property, plant and equipment will be financed by cash generated by Group activities and from available borrowing facilities.

The Group capital commitments relating to its associates are as follows:

	THE GROUP	
	2023	2022
Capital expenditure:	**Rs'000**	Rs'000
Approved by the Directors but not contracted for	**-**	-

33. CONTINGENT LIABILITIES

At June 30, 2023, the Group and the Company had contingent liabilities in respect of bank guarantees amounting to Rs 217.7m (2022: Rs 9.7m) and Rs 198.9m (2022: Rs 5.5m) and contingent liabilities in respect of net current liabilities of one of the Group's subsidiaries amounting to Rs 62.1m (2022: Rs 92.7m), both arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

Legal claim contingencies

(i) Severance allowance

Legal action has been initiated by former employees against the Group in respect of unpaid severance allowances. The estimated payout is Rs 4.8m (2022: Rs 39.5m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements.

(ii) Voluntary Retirement Scheme

In 2022, legal actions have been initiated by beneficiaries of the Voluntary Retirement Scheme against the Group in respect of unpaid benefit. The estimated payout is Rs 28.2m (2022: Rs 28.2m), should the action be successful. Trials are ongoing and therefore it is not practicable to state the timing of payment, if any. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in the financial statements for the year ended June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

34. HOLDING COMPANY

The Directors regard IBL Ltd incorporated in Mauritius as the holding company. Its registered address is 4th Floor, IBL House, Caudan Waterfront, Port Louis.

35. EVENTS AFTER REPORTING DATE

In view of improving its liquidity position, the Group and the Company are currently negotiating with the bank to obtain several banking facilities of around Rs 1,365 m subsequent to the year end, to:

(i) refinance the promissory notes totalling Rs 650m, falling due by the end of October 2023,
(ii) finance 100% of the cost of the extension of one of its subsidiary outlet at Tamarin;
(iii) finance short term cash flow requirements;
(iv) settle outstanding amount on existing facilities with one of its banks; and
(v) for working capital requirements.

There have been no other material events after the reporting date which require disclosure or adjustment to the financial statements for the year ended June 30, 2023.

36. SEGMENTAL INFORMATION

Operating segment information

The building materials segment is involved in the manufacture and sale of building materials which consists principally of aggregates, rocksand, hollow concrete blocks and various concrete building components which constitutes our core business.

The retail business under the building materials segment consist of the sale of roof tiles, imported floor and wall tiles, sanitary ware and a complete range of home building products and garden accessories.

The agriculture segment is involved in the cultivation of sugar cane, vegetables, plants, landscaping services and sale of land.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2023	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,295,308	3,668,059	226,178	(506,649)	4,682,896
Operating profit / (loss)	66,301	146,699	54,055	(19,398)	247,657
Allowance for expected credit losses on financial assets	(896)	(19,818)	(3,482)	5,097	(19,099)
Net finance costs	(13,194)	(16,316)	(8,132)	(68,975)	(106,617)
Share of results of associates	-	-	-	13,523	13,523
Profit /(loss) before taxation	52,211	110,565	42,441	(69,753)	135,464
Income tax	(9,020)	5,683	8,222	1,661	6,546
Profit /(loss) after taxation	43,191	116,248	50,663	(68,092)	142,010
Non-controlling interests	-	(8,350)	-	-	(8,350)
Profit / (loss) for the year attributable to the parent	43,191	107,898	50,663	(68,092)	133,660

2023	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Other segment information:					
Segment assets	901,382	7,065,530	1,380,446	(1,708,969)	7,638,389
Investment in associates	-	8,914	-	66,268	75,182
Total segment assets	901,382	7,074,444	1,380,446	(1,642,701)	7,713,571
Total segment liabilities	482,679	3,779,228	254,497	(1,064,464)	3,451,940
Capital expenditure:					
Property, plant and equipment	35,980	529,706	22,093	6,690	594,469
Investment properties	-	6,692	-	(6,692)	-
Intangible assets	13,895	7,476	1,953	-	23,324
Depreciation and amortisation	70,631	318,972	16,976	(25,574)	381,005

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

36. SEGMENTAL INFORMATION (CONTINUED)

2022	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	1,200,934	3,086,955	123,790	(338,144)	4,073,535
Operating profit	70,968	151,494	(5,201)	(12,520)	204,741
Allowance for expected credit losses on financial assets	172	(24,469)	1,016	-	(23,281)
Impairment of assets	-	-	-	(348,100)	(348,100)
Gain on deemed disposal of associate	-	-	-	158,236	158,236
Net finance costs	(13,816)	3,616	(8,426)	(38,739)	(57,365)
Share of results of associates	-	-	-	10,678	10,678
Profit / (loss) before taxation	57,324	130,641	(12,611)	(230,445)	(55,091)
Income tax	-	(1,622)	-	-	(1,622)
Profit / (loss) after taxation	57,324	129,019	(12,611)	(230,445)	(56,713)
Non-controlling interests	-	(10,840)	-	-	(10,840)
Profit / (loss) for the year attributable to the parent	57,324	118,179	(12,611)	(230,445)	(67,553)

2022	THE GROUP				
	Building materials		Agriculture	Consolidation adjustments	Total
	Retail	Core business			
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Other segment information:					
Segment assets	935,366	5,841,805	1,343,907	(1,781,453)	6,339,625
Investment in associates	-	69,801	-	-	69,801
Total segment assets	935,366	5,911,606	1,343,907	(1,781,453)	6,409,426
Total segment liabilities	540,747	3,262,984	278,169	(1,143,882)	2,938,018
Capital expenditure:					
Property, plant and equipment	20,574	349,042	12,051	-	381,667
Investment properties	-	-	-	-	-
Intangible assets	5,354	10,720	155	-	16,229
Depreciation and amortisation	64,360	249,798	14,035	(7,947)	320,246

Information about major customers

No single customer contributed 10 per cent or more to the Group's revenue in either 2023 or 2022.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Revenue from external customers		Non current assets	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritius	**4,609,495**	3,957,527	**5,515,545**	4,221,178
Madagascar	**15,679**	47,772	**30,465**	38,724
Sri Lanka	**8,878**	32,290	**21,187**	18,893
Réunion	**48,844**	35,946	**3,615**	1,594
	4,682,896	4,073,535	**5,570,812**	4,280,389

37. BUSINESS COMBINATIONS

(a) Acquisition of subsidiary

On March 31, 2023, the Group acquired the remaining 90.53% stake in Flacq Associated Stonemasters Limited ("FAST") for Rs 244.8m and obtained control over the subsidiary. FAST operates a stone crushing business in the east of Mauritius and is engaged in the production of aggregates and blocks. This transaction qualifies as a business combination as defined in IFRS 3.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	March 31, 2023
	Rs'000
Assets	
Property, plant and equipment	129,078
Intangible assets	172
Inventories	21,644
Trade and other receivables	26,802
Current tax assets	463
Cash and cash equivalents	839
	178,998
Liabilities	
Trade and other payables	17,396
Deferred tax liability	5,056
Retirement benefit obligations	6,277
	28,729
Fair value of net assets acquired	150,269
Consideration paid in cash	244,841
Fair value of previously held interests	25,623
	270,464
Goodwill	120,195
Cash flow	
Consideration paid	244,841
Less: Cash and cash equivalents acquired in subsidiary	(839)
Net cash outflow on acquisition	244,002

Acquisition-related costs (included in administrative expenses) amount to Rs 0.8m.

A goodwill of Rs 120.2m arose because of the wider economic and strategic benefit arising from this acquisition. None of the goodwill is expected to be deductible for income tax purposes.

FAST contributed Rs 36m as revenue and generated a profit of Rs 6.7m for the period.

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If the acquisition of FAST had been completed on the first day of the financial year, Group revenues for the year would have been Rs 4,720m and Group profit would have been Rs 153.8m.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

37. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of subsidiary

On October 27, 2021, the Group acquired the remaining 51% of Premix Ltd ("Premix") (formerly known as Pre-mixed Concrete Ltd) and obtained control over the subsidiary. Premix is engaged in the manufacture of ready mixed concrete. This transaction qualifies as a business combination as defined in IFRS 3. Premix has been acquired by the Group to be in line with its vertical integration strategy.

The identifiable assets acquired and liabilities assumed at fair value at date of acquisition are as follows:

	October 27, 2021 Rs'000
Assets	
Property, plant and equipment	164,157
Fair value of brand name	60,838
Fair value of customer relationships	20,627
Right of use assets	87,999
Intangible assets	1,749
Deferred tax assets	14,308
Inventories	13,504
Trade and other receivables	165,147
Current tax assets	2,483
Cash and cash equivalents	12,182
	542,994
Liabilities	
Borrowings	14,277
Lease liabilities	95,714
Trade and other payables	187,932
Retirement benefit obligations	26,106
	324,029
Fair value of net assets acquired	218,965
Consideration paid in cash	285,416
Fair value of previously held interests	274,235
	559,651
Goodwill	340,686
Cash flow	
Consideration paid	285,416
Less: Cash and cash equivalents acquired in subsidiary	(12,182)
Net cash outflow on acquisition	273,234

Acquisition-related costs (included in administrative expenses) amount to Rs 4.3m.

A goodwill of Rs 340.7m arose because the cost of acquisition included a control premium and was in line the strategy disclosed above. None of the goodwill is expected to be deductible for income tax purposes.

Premix Ltd contributed Rs 416m as revenue and incurred a loss of Rs 18.7m for the period ended June 30, 2022.

If the acquisition of Premix Ltd had been completed on the first day of the financial year, Group revenues for the year ended June 30, 2022 would have been Rs 4,224m and Group loss would have been Rs 33.5m.

(c) Change in percentage holding in subsidiaries without loss of control

On October 27, 2021, the Group acquired an additional 17.24% of the issued shares of Drymix Ltd for a purchase consideration of Rs 96.4m. The Group derecognised the non-controlling interests and recorded an increase in equity attributable to owners of the Company of Rs 24.3m.

The effect of changes in the ownership interest on the equity attributable to owners of the Group is summarised as follows:

	2022
	Rs'000
Cash consideration paid to non-controlling interests	96,406
Less: Carrying amount of non-controlling interests acquired	(24,336)
Adjustment recognised in retained earnings	72,070

38. DISCONTINUING OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE

The Group

UBP Madagascar

The Group had the intention to sell its Malagasy subsidiary, UBP Madagascar and had initiated an active program to locate a buyer as from November 01, 2021. As a result, the entity was classified as a disposal group held for sale and was presented separately in the statements of financial position for the year ended June 30, 2022 and 2021.

However, as at June 30, 2023, no buyer has been identified and no deal has been completed. As per the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Group and the Company have reviewed the events and circumstances for the delay for sale and although these are caused by events beyond the Group's and the Company's control, there are enough evidence to suggest that the Group will not be able to sell if the price of the asset is not reduced. The Group and the Company will not reduce the price as management believe they will receive the asked price in the future once the in-country market conditions improve. Hence, in this situation, the absence of a price reduction by the Group and the Company in the current market conditions demonstrate that the asset is not available for immediate sale. Management is now presenting the Malagasy subsidiary under continuing operations in the statements of profit or loss and other comprehensive income for all periods presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

38. DISCONTINUING OPERATION AND ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The Group

United Granite Products (Private) Limited

In June 2021, the Group initiated an active programme to locate a buyer following its intention to sell its Sri Lankan subsidiary, United Granite Products (Private) Limited. This operation, which was expected to be sold within 12 months, was classified as a disposal group held for sale and presented separately in the Group statements of financial position at June 30, 2021. As a result of the programme initiated, several potential buyers showed their interest, but the deal could not be completed as there was no agreement on the proposed consideration. Moreover, during the last one-year period, there were circumstances beyond the Group's control which took place and further complicated the negotiations. Management remained committed to their plan to sell United Granite Products (Private) Limited which continued to be classified as a disposal group held for sale and presented separately in the Group statements of financial position at June 30, 2022.

However, as at June 30, 2023, no buyer has been identified and no deal has been completed. As per the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, the Group and the Company have reviewed the events and circumstances for the delay for sale and although these are caused by events beyond the Group's and the Company's control, there are enough evidence to suggest that the Group will not be able to sell if the price of the asset is not reduced. The Group and the Company will not reduce the price as management believe they will receive the asked price in the future once the in-country market conditions improve. Hence, in this situation, the absence of a price reduction by the Group and the Company in the current market conditions demonstrate that the asset is not available for immediate sale. Management is now presenting UGPL under continuing operations in the statements of profit or loss and other comprehensive income for all periods presented.

The major classes of assets and liabilities comprising the discontinuing operations and assets classified as held for sale shown under the statements of financial position are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Investment in subsidiaries (a)	-	-	-	22,428
Property, plant and equipment (b)	-	50,655	-	-
Right of use assets	-	5,211	-	-
Inventories	-	24,326	-	-
Trade and other receivables	-	9,718	-	-
Cash and bank balances	-	11,013	-	-
Total assets classified as held for sale	-	100,923	-	22,428
Trade and other payables	-	30,068	-	-
Lease liabilities	-	3,129	-	-
Bank overdraft	-	1,106	-	-
Employee benefit liabilities	-	965	-	-
Total liabilities associated with assets classified as held for sale	-	35,268	-	-
Net assets	-	65,655	-	22,428

In the financial year 2023, these major classes of assets and liabilities have been re-presented under continuing operations since the components cease to classify as held for sale.

	THE GROUP		THE COMPANY	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Investment in subsidiaries (a)	**-**	-	**22,428**	-
Property, plant and equipment (b)	**45,058**	-	**-**	-
Right of use assets	**4,842**	-	**-**	-
Inventories	**23,674**	-	**-**	-
Trade and other receivables	**13,133**	-	**-**	-
Cash and bank balances	**7,237**	-	**-**	-
Total assets reclassified from held for sale	**93,944**	-	**22,428**	-
Trade and other payables	**61,386**	-	**-**	-
Lease liabilities	**2,908**	-	**-**	-
Bank overdraft	**4,783**	-	**-**	-
Employee benefit liabilities	**1,297**	-	**-**	-
Total liabilities reclassified from held for sale	**70,374**	-	**-**	-
Net assets	**23,570**	-	**22,428**	-

(a) Investment in subsidiaries

Investment in subsidiaries is net of impairment.

(b) Property, plant and equipment

In 2022, capital work in progress in relation to United Granite Products (Private) Limited's property, plant and equipment were impaired by Rs 7.4m as the assets were not in good physical condition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

39. FINANCIAL REVIEW

THE GROUP	**2023**	2022
	Rs'm	Rs'm
Share capital	**265.1**	265.1
Reserves	**3,950.3**	3,176.6
Shareholders' interests	**4,215.4**	3,441.7
Assets	**7,713.6**	6,409.4
Liabilities	**3,451.9**	2,938.0
Revenue	**4,682.9**	4,073.5
Profit / (loss) before taxation	**135.5**	(55.1)
Tax income / (expense)	**6.5**	(1.6)
Profit / (loss) for the year	**142.0**	(56.7)
Dividend	**-**	(79.5)

	Rs	Rs
Basic net assets value per share	**159.01**	129.83
Basic earnings / (loss) per share	**5.04**	(2.55)
Dividend per share	**-**	3.00

THE COMPANY	**2023**	2022
	Rs'm	Rs'm
Share capital	**265.1**	265.1
Reserves	**2,649.1**	2,174.1
Shareholders' interests	**2,914.2**	2,439.2
Assets	**5,509.1**	4,563.3
Liabilities	**2,595.0**	2,124.2
Revenue	**2,157.8**	1,952.6
Profit / (loss) before taxation	**94.4**	(109.3)
Tax income	**6.4**	7.4
Profit / (loss) for the year	**100.8**	(101.9)
Dividend	**-**	(79.5)

	Rs	Rs
Basic net assets value per share	**109.93**	92.01
Basic earnings / (loss) per share	**3.80**	(3.84)
Dividend per share	**-**	3.00

40. WORLD EVENTS

Local, regional, or global events such as war (e.g., Russia/Ukraine), acts of terrorism, public health issues like pandemics or epidemics (e.g., COVID-19), recessions, or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in global economies and have a significant impact on the Group and the Company and its investments. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility, and many of the risks discussed herein associated with the operations of the Company and its subsidiaries may be increased.

41. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

As at June 2023, the current liabilities exceeded the current assets by Rs 229.8m (2022: Nil) for the Group and Rs 572.7m (2022: Rs Nil) for the Company.

The financial statements have been prepared on the going concern basis, which assumes that the Group and the Company will continue in operational existence for the foreseeable future. The validity of this assumption relies on the continued availability of debt facilities of Rs 1,365m from the financial institution that will be forthcoming over the next twelve months.

The Directors, therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.