

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022 (CONT'D)

28. SHARE APPRECIATION RIGHTS SCHEME AND SHARE BASED SCHEME

ACCOUNTING POLICIES

(a) Share Appreciation Rights Scheme

The Group operates a Share Appreciation Rights Scheme (SARS) for selected executives employed by one of the subsidiaries of the CIEL Group. Under the Scheme, selected executives are granted a number of rights based on their current salary. The rights will be settled by CIEL Limited issuing shares to the holder of the rights, equivalent to the difference between the exercise price and the grant price per share, multiplied by the number of SARS exercised. CIEL Limited may buy back shares from the market or utilise its treasury shares. The rights vest after three years from grant date and lapse after seven years from grant date. The Scheme operated previously under ex-CIEL Investment Ltd before the amalgamation with Deep River Investment Ltd in January 2014. Following the amalgamation and the issue of 344,827,586 new no par value ordinary shares by way of private placement by CIEL Limited, the number of SARS originally granted and the grant price of the underlying shares were adjusted accordingly. The last issue of the SARS dates back to April 2013. The said scheme has been brought to an end since that date. The last SARS were exercised last year and no SARS were left as at 30 June 2020.

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the entity revises its estimates of the

number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

The proceeds, if any, received net of any directly attributable transaction costs are credited to stated capital when the options are exercised.

(b) Share Based Scheme - equity settled

In July 2014, an incentive scheme was set up in order to remunerate some key executives of the Group. The annual entitlement is payable 50% in cash and 50% in terms of shares in CIEL Limited. Upon award, the shares are vested immediately but are issued over a period of two years.

The entitlement for the years ended 30 June 2022 and 2021 is as follows:

	2022	2021
	MUR' 000	MUR' 000
Cash settlement	-	-
Equity settlement	472	4,076
	472	4,076

The post-tax entitlement relating to 2022, was based on the average share price as at 30 June 2020 of MUR 3.49, represents 114,862 shares issued in June 2022.