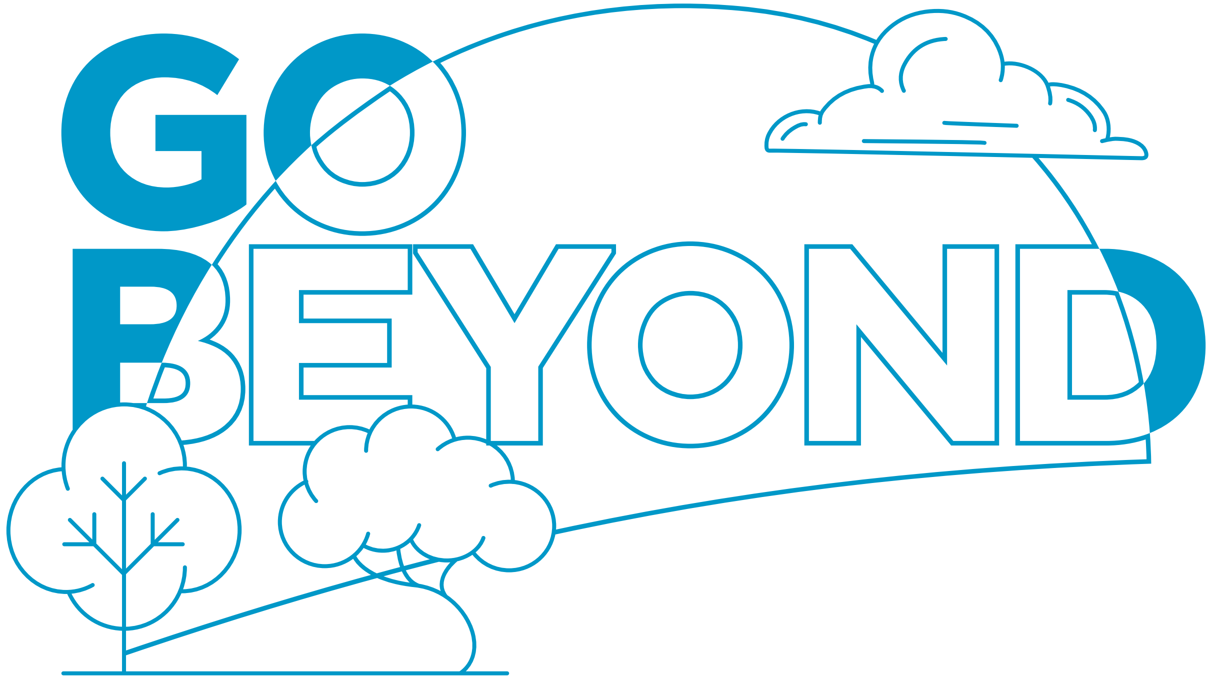
GO BEYOND

Ciel
110 YEARS

ANNUAL
INTEGRATED
REPORT
2022



A WORD ON HOW SERIOUSLY WE TAKE SUSTAINABILITY
If you received our printed report - you may have noticed that our 2022 annual integrated report lacks rich colour, with no fancy graphics? No apologies, we deliberately toned it down. For printing we used less ink and we will upcycle returned reports. And for our website, dark mode means a significantly lower carbon footprint.

Join us in aiming to keep our impact upon the planet as light as possible by always enjoying our digital version and if you haven't already - please fill in the E-communications form.

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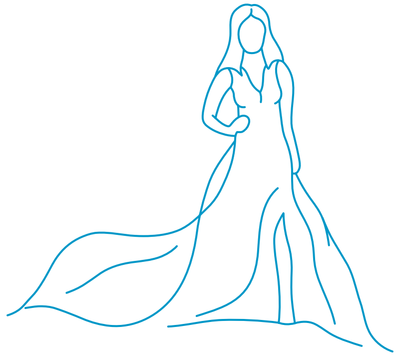

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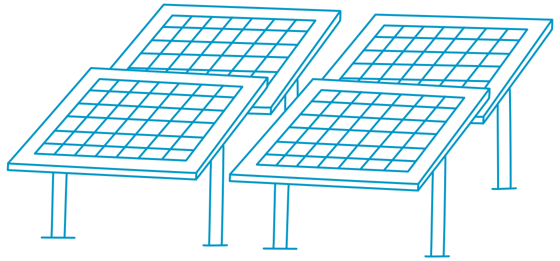

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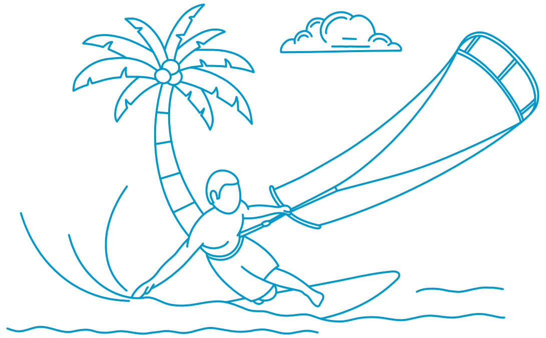

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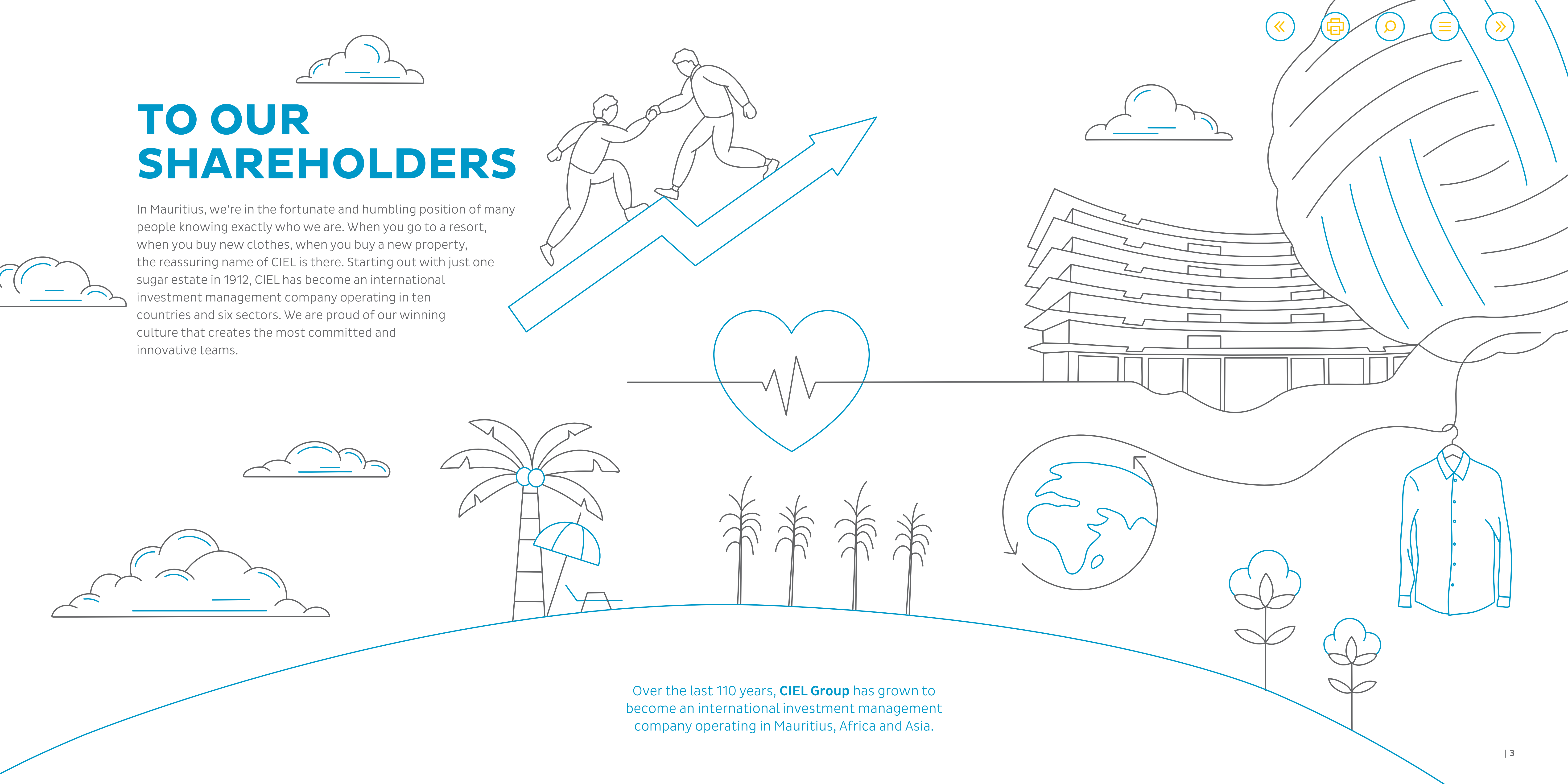
TO OUR SHAREHOLDERS

In Mauritius, we're in the fortunate and humbling position of many people knowing exactly who we are. When you go to a resort, when you buy new clothes, when you buy a new property, the reassuring name of CIEL is there. Starting out with just one sugar estate in 1912, CIEL has become an international investment management company operating in ten countries and six sectors. We are proud of our winning culture that creates the most committed and innovative teams.



Over the last 110 years, **CIEL Group** has grown to become an international investment management company operating in Mauritius, Africa and Asia.

DEAR SHAREHOLDER,

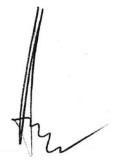
The Board of Directors of CIEL Limited ("CIEL or the Group") is pleased to present its annual integrated report for the financial year ended 30 June 2022.

We invite you to join us at the Annual Meeting of CIEL to be held:

Date: 16 December 2022
Time: 10:00 am
Venue: 5th Floor, Ebène Skies, Rue de l'Institut, Ebène

We look forward to hosting you.

Sincerely,



P. Arnaud Dalais
Chairman

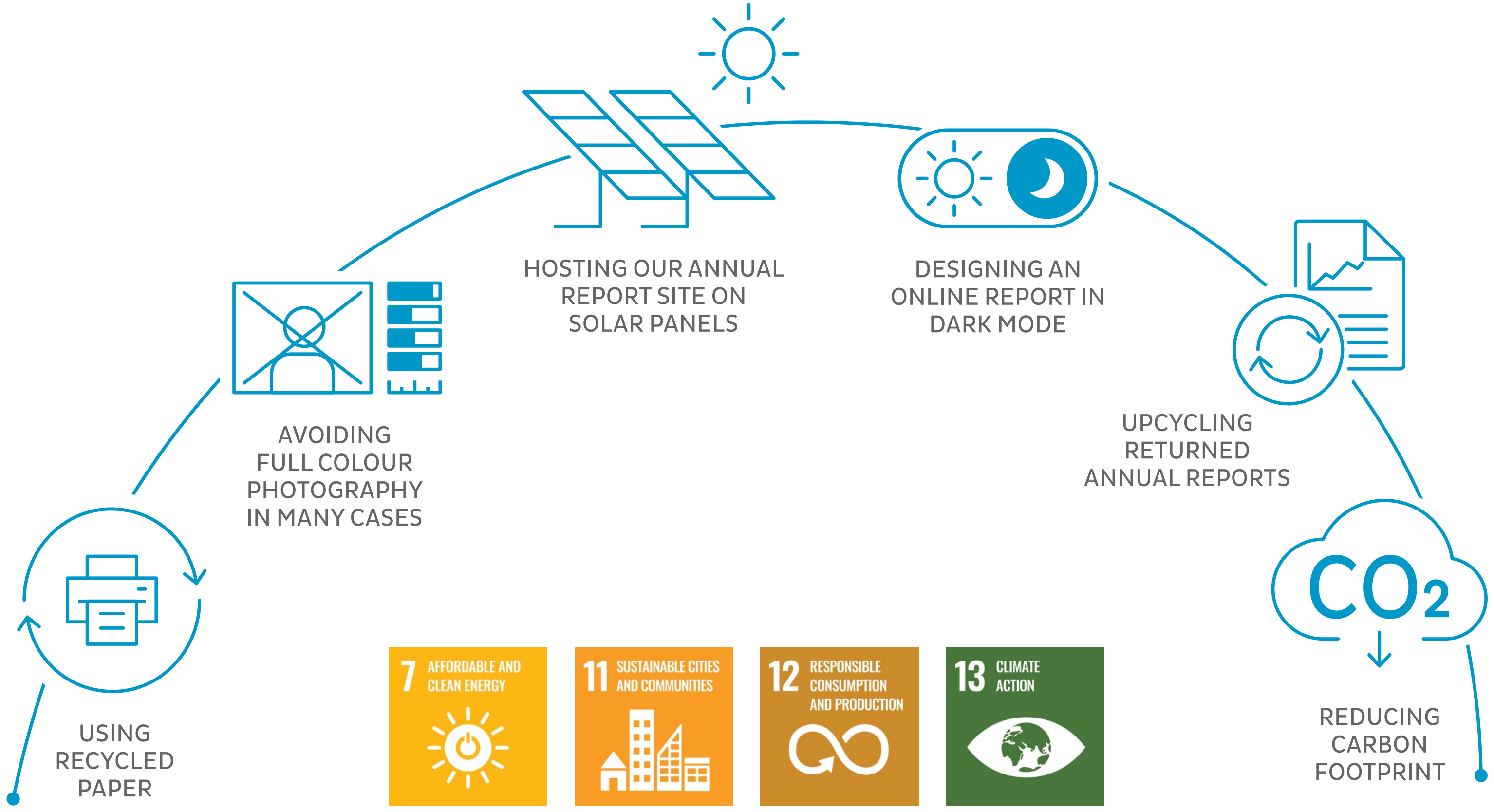
Jean-Pierre Dalais
Group Chief Executive

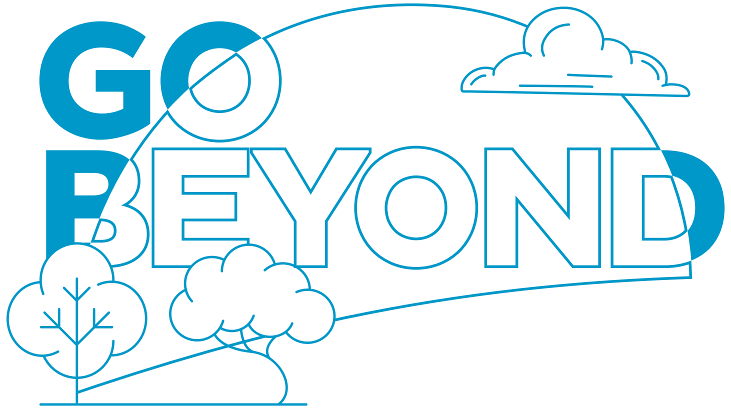
ABOUT THIS REPORT

Go Beyond is something we strive for at CIEL, it means to exceed, to deliver more than is expected of you. To us, Go Beyond is part of our DNA and it indicates even more. It suggests we must look to the future, to make sure everything we do today benefits the generations of tomorrow. It requires careful and continual consideration across a range of key areas to take care of business as well as taking extra special care of the future. This report endeavours to show you, our stakeholder, how we do this.

We also have a legacy to protect – we have been in business since 1912 and celebrate our 110th birthday this year. That is quite a milestone. And as our predecessors looked to the future to ensure a sustainable business for us, so we look beyond to create value over the long term for future generations and the future prosperity of Mauritius and the regions in which we operate.

In line with this thinking, we have deliberately created an annual integrated report that has the least possible impact on the environment by:





Unfortunately, many of the printed reports we send to our shareholders get sent back to us, so we will further endeavour to upcycle these reports through various initiatives we have across the Group.

As part of this, we continue in our commitment to sustainable measures throughout the Group and are steadfast in relation to reducing CIEL's carbon footprint. We once again invite you, our shareholder, to join us in our commitment to preserve our natural resources for future generations by encouraging you to fill in the '**Application for E-communications**' form which is included in this printed report. We have therefore created a more digitally enabled report for a more digital world, and it truly shows the integration we apply in our processes. The online version further allows us to give you a more cohesive view of the business as well as a chance to hear from our leaders.

Please note when signing the '**Application for E-communications**', this will allow you to receive by e-mail, future notice of shareholders' meetings, annual integrated reports, accounts, credit advices and other shareholder documents made available to you in your capacity as shareholder of CIEL.

WHAT GUIDES OUR PROCESS

This report has been developed following the guidelines of the IFRS Foundation, whose aim is to drive connectivity between sustainability disclosures and financial statements. They have recently consolidated the Value Reporting Foundation (SASB standards, the Integrated Reporting Framework and the Integrated Thinking Principles) into their remit. Further to adhering to these frameworks, we have also responded to the call to action of the United Nations (UN) Sustainable Development Goals (SDGs) as can be seen in our strategy. It should be noted that this is a journey that CIEL is undertaking. As part of this journey, we aim to define and mine accurate data in order to fully implement these guidelines.

FINANCIAL AND NON-FINANCIAL REPORTING

In line with the concept of double materiality, our annual integrated report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create and preserve value sustainably, while minimising value erosion.

SCOPE AND MATERIALITY

This report covers the financial year ended 30 June 2022 in terms of performance. We have included only what we believe is material, regarding risks, issues, and opportunities that have or can have a significant positive or negative impact on the operations, profitability or brand equity of the Group.

We have disclosed information that is material to the sustainability of the business and could influence financial decisions made by our stakeholders. We want you to understand how, through effective management, strategic direction, and innovation, we create value for all our stakeholders over the short, medium, and long term.

It was prepared by CIEL Head office, in close collaboration with our clusters' management teams. We welcome your feedback on the report and invite you to share your comments or questions to: **investorrelations@cielgroup.com**

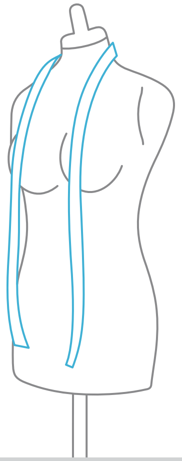
FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances that may be beyond our control. We therefore advise readers to use caution in interpreting any forward-looking statements in this report.

TIMELINE OF 110 YEARS

1912 - 1971
- Started in 1912 by acquiring a sugar estate
- Sugar industry growth through acquisitions and centralisation in Deep River Beau Champ

1972 - 1988
- Acquisition of Floreal Knitwear followed by several acquisitions in Mauritius - marks the start of CIEL's diversification in the textile industry



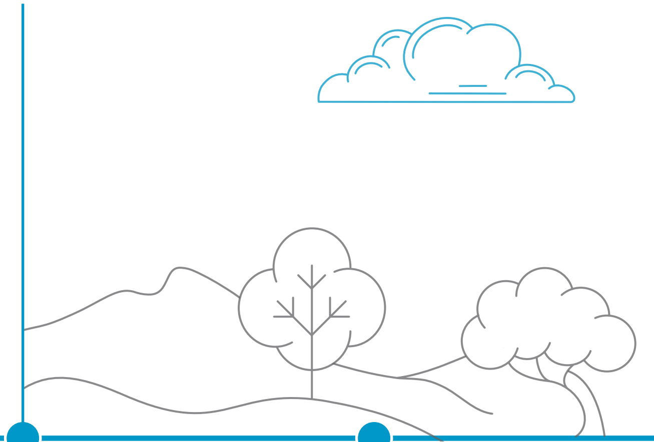
1989 - 2000
- CIEL begins its international expansion
- Creation of Floreal Madagascar
- Acquisition of a sugar estate in Tanzania
- Entered the financial sector with Cirne Financial Services (now IPRO Ltd)

2001 - 2005
- New Group structure formed with CIEL Textile Ltd, CIEL Agro-Industry Ltd, CIEL Investment Ltd, CIEL Properties Ltd and CIEL Capital Ltd
- Launch of property projects in Mauritius with Anahita, Ecotourism, Domaine de l'Etoile, and La Vallée de Ferney
- Creation of CIEL Foundation

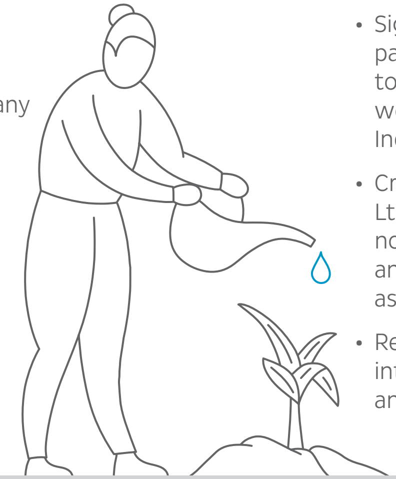
2006 - 2013
- The expansion of CIEL Textile operations in India and Bangladesh
- Launch of Anahita The Resort and Four Seasons Resort Mauritius
- Acquisition of First City Bank Ltd. (now Bank One), in a joint venture with I&M Bank

2014 - 2016
- The listing of CIEL Limited on the Mauritian Stock Exchange
- Acquisition of controlling stakes in BNI Madagascar SA and Sun Limited
- CIEL acquires Transmara Sugar Company in Kenya through its stake in Alteo Limited
- The establishment of CIEL Healthcare and further acquisition of stakes in the Medical and Surgical Centre Ltd, later renamed C-Care

2017 - 2019
- Acquired all shares of CIEL Textile Ltd. held by minority shareholders
- Listing of CIEL on Mauritius Sustainability Index
- Increased stake in C-Care (Mauritius) Ltd
- Creation of CIEL Properties



2020 - 2022
- Launch of Group ESG Strategy 2030, with clear KPIs and commitments
- Signed strategic partnership with SOCOTA to develop the largest woven fabric mill in the Indian Ocean Region
- Creation of Evolis Properties Ltd, dedicated to taking non-core industrial assets and turning into yielding assets
- Rebrand of CIEL Healthcare into C-Care across Mauritius and Uganda



CIEL AT A GLANCE

OUR PURPOSE

FOR A WORLD
WE CAN ALL FEEL
PROUD OF

OUR VALUES

PEOPLE AT HEART
EXCELLENCE AT CORE
ETHICAL & SUSTAINABLE

MUR 107M
Invested in social projects through CIEL Foundation since 2004

FOUNDED IN 1912
110 YEAR HISTORY

10 COUNTRIES

30+ BRANDS

MUR 11.3bn MARKET CAP

38,000+ EMPLOYEES

6 SECTORS

Key Figures As at 30 June 2022

MUR 28.5bn
Group Consolidated Revenue
MUR 17.9bn - 30 June 2021[2]

MUR 5.1bn
EBITDA[1]
MUR 2.4bn - 30 June 2021

MUR 2.2bn
Group Profit after Tax
MUR 446M - 30 June 2021

MUR 1.3bn
Profit Attributable to Owners of the Parent
MUR 617M - 30 June 2021

MUR 12.49
Company NAV per Share
MUR 9.28 - 30 June 2021

MUR 98.2bn
Total Assets
MUR 84.1bn - 30 June 2021

17.8%
EBITDA Margin
2021: 13.5%

MUR 0.77
Earnings per Share
2021: MUR 0.37

9.7%
ROCE
2021: 5.6%

[1] Earnings before interest, taxation, depreciation, amortisation, impairment and fair value adjustment on investment property

[2] 30 June 2021 numbers are restated

Please see our Annual Financial Statements for more detailed information.

Please click here to go to our Group Performance section

Dear Shareholder,

As we celebrate our 110th anniversary, I am delighted to say this year's results certainly show our strength, resilience and capacity to reinvent ourselves. The financial year 2022 has seen strong growth for CIEL in terms of turnover and profit.

A LETTER FROM OUR CHAIRMAN

The last two years of pandemic-related issues coupled with the global economic challenges brought about by the Russia/Ukraine conflict have been very challenging to say the least. Despite these extreme conditions, we have managed to get back on our feet, proved our strength and are fully back in operation.

The Group faced these macroeconomic headwinds with a solid focus on delivering at every step of our operations. This would not have been possible without the relentless efforts of our teams working hard and living up to our Group's values. Thanks to the excellent teams in place, we have been able to transform challenges into opportunities and they should all be warmly congratulated.

STRATEGY

As a well diversified investment company we can now appreciate the well-thought-out strategy which has been ongoing over the years. Even though at times tough decisions had to be made, we have been able to unleash the growth potential in each of our clusters. Diversification, vertical integration, internationalisation, sustainability and finally, team spirit, are key for our future. This strategy has helped lead us to what can only be described as a solid recovery with all sectors returning to profitability.

Amongst the tough decisions we had to take was to close Consolidated Fabrics Ltd (CFL), our woven fabric mill at Solitude. We partnered with SOCOTA in Madagascar to create the largest fabric milling operation in our region. This, although a difficult step, was necessary, as the consolidation brought new capabilities and opened new avenues for the business to grow. It is always sad to close a factory in Mauritius, but it was for the good of our textile activity and we ensured that all our employees at CFL have been well taken care of.

Such decisions, as well as the one to sell our hotel in Maldives last year or the exit of our healthcare business in Nigeria, will help us to move forward in a positive way and face the ongoing headwinds.

We are pleased that our Healthcare, Finance and more recently Properties clusters are showing good prospects for growth.

PERFORMANCE

As you look through this report you will see how our clusters have shown commendable results despite the challenging context. We have overcome ongoing logistical issues and pandemic-related challenges in certain sectors as well as managed indirect impacts from the Russia/Ukraine conflict. In terms of performance, we are constantly growing market share, building on our strong foundations, whilst protecting our margins and seizing new growth opportunities.

The Textile cluster's production and sales volumes are back to pre-COVID levels as they continue to strengthen their product offering and pipeline. The Finance cluster continued to perform well despite the difficult environment in Madagascar where we have our biggest banking interest, BNI Madagascar. CIEL Healthcare rebranded to C-Care (International) Ltd and continued to post gains as COVID treatments slowed and normal activities regained momentum. Our Hotels & Resorts cluster experienced a good turnaround, even though they were only operational for nine months of the financial year, with occupancy improving and average daily rates exceeding pre-COVID levels. In our Properties cluster we launched Evolis Properties Limited, a property vehicle that will consolidate CIEL Textile's non-core industrial properties along with the Ebene Skies building (CIEL's Head Office). Moreover, Ferney Ltd has received its Smart City Certificate from the Economic Development Board and can now progress with the launch of the Ferney Sustainable Development Project. In our Agro cluster, the restructuring of Alteo Group into two distinct businesses is ongoing and we are very supportive of this move towards a more agile structure.

Based on these encouraging results, and our intention to return to pre-COVID dividend payment levels as soon as possible, the board declared a total dividend of MUR 0.21 for the financial year ended June 2022.

We should allow ourselves a little time to stand back and recognise all the great work that has been done to create a lean organisation, optimise further our profitability whilst taking advantage of the constantly evolving global opportunities.

CELEBRATING 110 YEARS AND BEYOND

COVID undoubtedly was a big challenge, certainly the greatest of my tenure, but there have been many other challenges and crises before it too, and each time we managed to turn these difficult situations into new prospects for the Group.

We are proud of having accomplished significant growth over these last 110 years. Our past has demonstrated that we come together in the difficult times and surmount challenges with a true winning and innovative culture. We have our People at Heart, we aim for Excellence at our Core, and we make every effort to be Ethical in all we do with Sustainability as our guiding principle.

It is with that kind of spirit that we will make our future bright.

ACKNOWLEDGEMENTS

I would like to thank our executive management and their teams for bringing our strategic objectives to life and with success. Also, our gratitude goes out to the authorities for their assistance and planning through this most challenging time, and to all our stakeholders who continued to have faith in us to make the right decisions.

OUTLOOK

As we continue to build for the future, we remain vigilant of the very uncertain macroeconomic climate we are working within. We are planning with a sustainable mindset, and we will proactively develop responsible products and services and continue to operate in the right way. We are confident that our constantly evolving strategy is well adapted to our times. We will continue developing our geographic footprint and sectoral diversification in the world's fastest-growing markets.

P. Arnaud Dalais
Chairman

"We have the fighting spirit and are on the right path to a prosperous future."

SEE THE INTERVIEW HERE

AN INTERVIEW WITH OUR GROUP CHIEF EXECUTIVE

WHAT DO YOU FEEL HAVE BEEN THE HIGHLIGHTS OF THE PAST YEAR ACROSS THE VARIOUS CIEL CLUSTERS?

This year has had a plethora of events that have been very important for the Group. But of course, the key standout must be the reopening of Mauritius to tourism, and the strong public private collaboration that made it happen.

We have also consolidated our way out of the pandemic and have a solid position in each of our clusters. We are well positioned, geographically and through the sectors in which we operate. Our presence in both Africa and India, is a key strength, our continued expansion in these parts of the world is putting us in great shape for the future.

Our Textile cluster is well positioned to take advantage of global supply chain shifts. In Madagascar, we continue to grow. We have strengthened output through a fabric mill in partnership with the SOCOTA Group. Overall, our intent is to better service higher end customers whilst capitalising on emerging market growth.

In Madagascar, we continue to solidify our leadership position in banking through BNI Madagascar, whilst gaining market share. Bank One in Mauritius keeps expanding its Sub-Saharan Africa approach.

In the healthcare cluster, we have recently rebranded to C-Care (International) Limited. We are back to more normal activities post COVID and with a better footprint in both Mauritius and Uganda, we are perfecting the correct business model to expand into developing markets.

It has also been a year of reorganisation and recovery for our hospitality cluster, a difficult time, but a period used to shape our business for the better. We are now coming out stronger and with a refocused lean business and energised team. We are revamping and repositioning the brand which I am confident will be a great success.

On the property front, we are again growing. We launched Evolis Properties Limited this year to make the most of all the non-core property assets in the Group and give them a renewed commercial life. We have a strong focus on optimising our hotel assets with further expansion in the pipeline.

Finally, as a shareholder of Alteo, we are fully supportive of the restructuring currently underway and we look forward to more progress as they find ways to better manage and generate value from the various regions.

Overall, we are getting better at what we do in all the clusters and continue to grow. Our key focus remains to consistently improve customer satisfaction and experience.

HOW HAS THE PERFORMANCE OF THE GROUP BEEN THIS YEAR?

Our well diversified portfolio and strong ongoing focus on margin protection has been bearing fruit. I am pleased to see a good performance across the board including an improved profitability which is significantly above pre-COVID years. We have excellent teams managing our businesses and we believe our business models are relevant and will prove, year on year, their medium to long-term growth potential.

With our proven track record of execution, profit after tax reached MUR 2.2 bn with all clusters now back to profitability. Earnings per share more than doubled to reach MUR 0.77 (2021: MUR 0.37). The figures show the financial health and strong base on which we are looking at growing the business.

DO CIEL CLUSTERS COLLABORATE WITH EACH OTHER AND ACROSS GEOGRAPHIES?

Each cluster has its own investment strategy supported and reviewed by the Group. We strongly believe in the spirit of entrepreneurship for our leaders and teams. The head office has an oversight role whilst being lean and ensures that there is the appropriate good governance across the Group. We have developed specialised services for the clusters at the head office, like the newly created Corporate & Regulatory Affairs function as well as the Diversity & Inclusion and ESG areas in HR. This structure supports our clusters' collaboration or cross-pollination in terms of talent and data analysis, for instance. We also encourage as a Group, talent mobility across clusters and geographies.

WHAT ARE THE MAIN RISKS THE GROUP IS FACING, AND HOW DO YOU OVERCOME THEM?

We have just emerged from one of the most difficult times in our history. Few anticipated how fast and deeply it would affect our people and many areas of the businesses in which we operate. The business environment in which we live today does not stay the same for very long. That said, a focus on always having the best talent and ensuring targeted delivery of our priorities has proven to be the right way forward for us. The global rise in inflation and the geopolitical tensions will likely influence the purchasing patterns of our customers. We, however, are well spread across two continents and ten countries, whilst being in six very different clusters. This is one of our major strengths. We will continue to grow cautiously, through our proof-of-concept approach. Our ability to mobilise resources and be agile in the current prevailing environment will also be a key competitive advantage.

Please see the risk section of our report for more detail.

HOW IS CIEL PREPARING FOR THE FUTURE?

Our Group is 110 years old this year, I am proud of our history, and I can feel a renewed motivation within our teams, striving to constantly improve performance. I would like to thank all those who throughout the years have contributed to make CIEL what it is today. What an incredible story!

Today CIEL has a strong presence in Africa and Asia where the highest population growth between now and 2050 will take place. Exciting prospects lie ahead as we tap into the potential of our regions and sectors. For us to achieve growth, we need the best talent, and we are focusing on ensuring we have diversity and the correct gender balance throughout the teams.

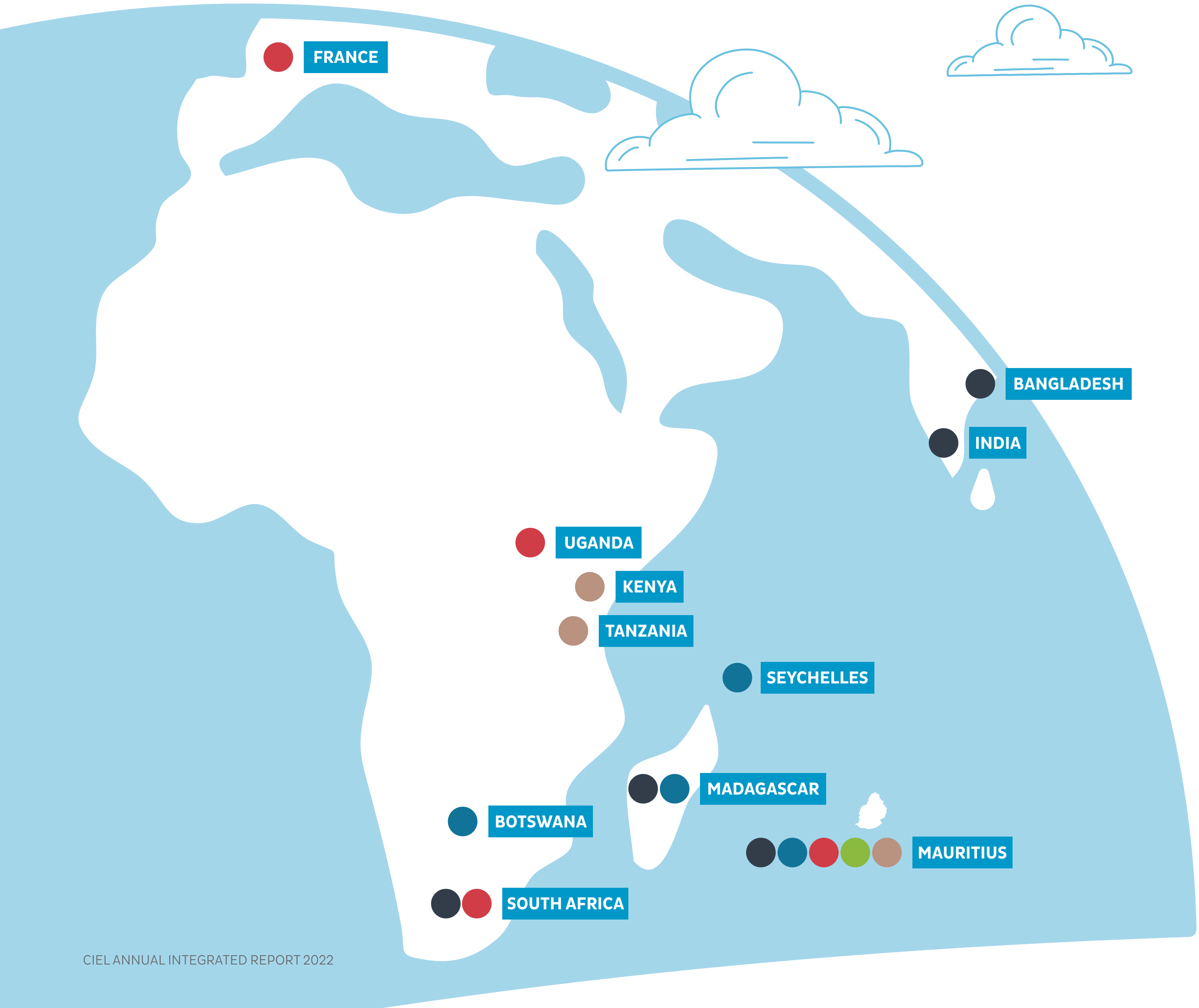
We look to the future with a lot of belief, knowing our capabilities and past experiences. We are ready to keep on growing to GO BEYOND!

HOW WE CREATE VALUE FOR STAKEHOLDERS

CIEL knows that creating value cannot be limited to merely maximising today's share price. Value creation starts with enabling genuine progress and instilling excellence throughout the organisation. Our value proposition is deeply rooted in the talent of our People, our well-balanced geographic footprint and diversified portfolio.

CIEL Textile is the perfect example of CIEL's integrated value creation from design to final product.

STRATEGIC PRESENCE IN EMERGING MARKETS



CIEL Textile
- **Woven**
  - Aquarelle
  - Laguna
- **Knits**
  - Tropic
  - CDL
- **Knitwear**
  - Floreal
  - FSM

CIEL Finance
- Bank One
- BNI MADAGASCAR
- MITCO
- CIEL Corporate Services Ltd
  - Azur Financial Services
  - EM Insurance Brokers

CIEL Healthcare
- C-Care Mauritius
- C-Care Uganda
- C-Lab

CIEL Hotels & Resorts
- **SUN Resorts**
  - **SUN Managed**
    - Sugar Beach
    - La Pirogue
    - Long Beach
    - Ambre
  - **Branded**
    - Four Seasons Mauritius at Anahita
    - Shangri-La Le Touessrok Resort & Spa
  - **Tour Operators**
    - Solea
    - World Leisure Holiday
- Anahita Residences & Villas

CIEL Properties
- CIEL Properties Development
- Evolis Properties
- Ferney

CIEL Agro
- **Alteo Group**
  - Alteo Limited (Mauritius)
  - MIWA Sugar Limited (East Africa)

FIND OUR FULL GROUP STRUCTURE HERE

A UNIQUE PORTFOLIO OF BRANDS

CIEL Textile
- AQUARELLE
- LAGUNA
- TROPIC
- CDL
- FLOREAL
- FSM

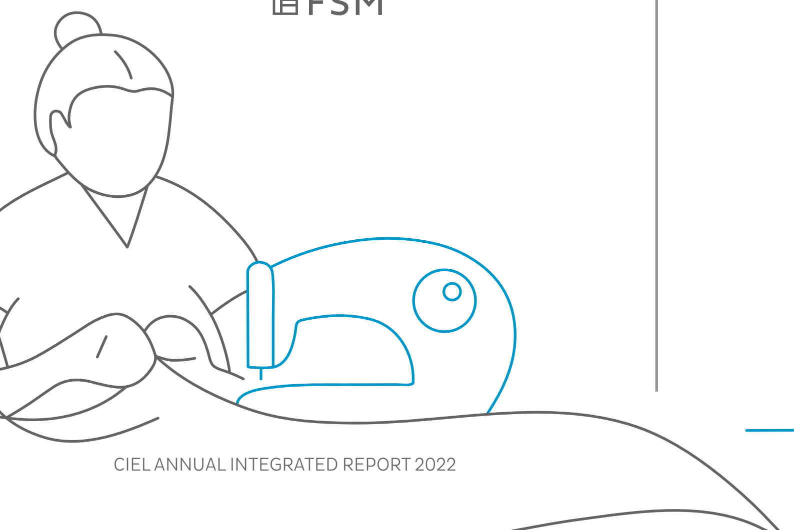
CIEL Finance
- BANK ONE
- BNI MADAGASCAR
- MITCO
- EM Insurance Brokers

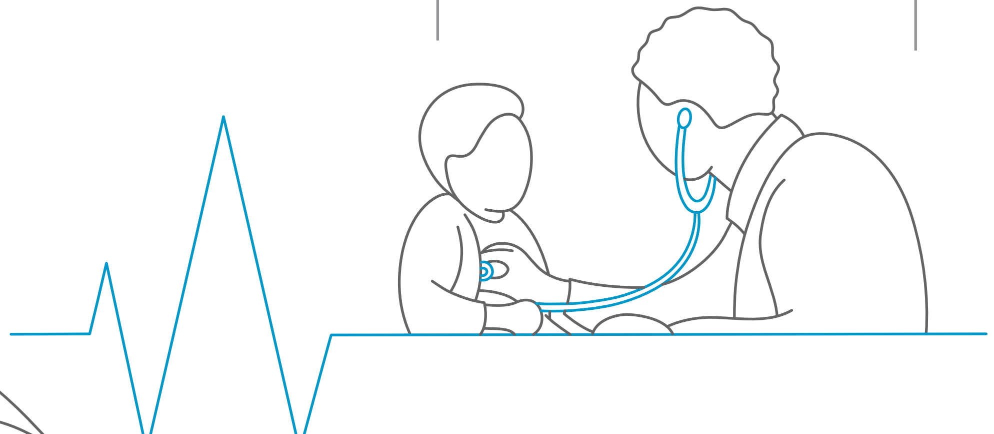
CIEL Healthcare
- C care
- C lab
- C pharma

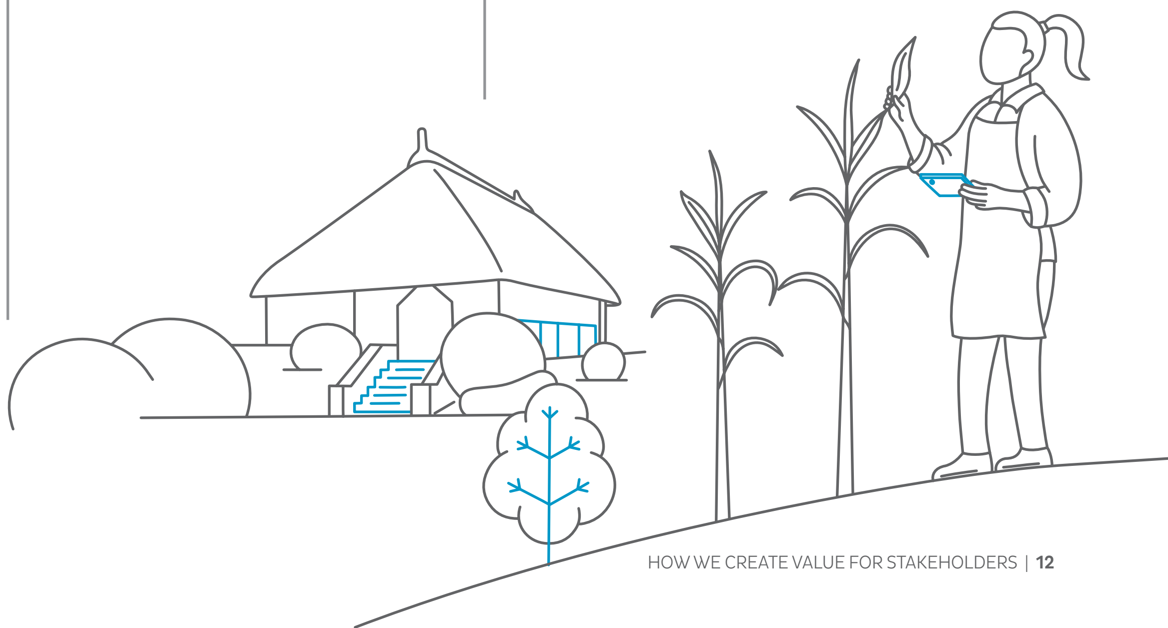
CIEL Hotels & Resorts
- sunlife
- SUGAR BEACH MAURITIUS
- LA PIROGUE MAURITIUS
- LONG BEACH MAURITIUS
- FOUR SEASONS
- SHANGRI-LA LE TOUESSROK MAURITIUS
- ANAHITA
- ambre MAURITIUS

CIEL Properties
- evolis PROPERTIES
- Ferney

CIEL Agro
- Alteo
- MIWA SUGAR







A STRONG NETWORK OF GLOBAL PARTNERS

DEVELOPMENT FINANCE INSTITUTIONS

- PROPARCO – Groupe Agence Française de Développement
- IFC – International Finance Corporation – World Bank Group

FAMILY INVESTMENT HOLDING COMPANIES

- Peugeot Invest
- Fimalac
- Dentressangle – investing through passion

RECOGNISED INDUSTRY PLAYERS

- AXIAN – Let's grow together
- Shangri-La Le Touessrok Mauritius
- IBL – Together
- Four Seasons
- Tereos
- I&M Bank Limited
- Marietton Developpement
- Quadran

PRIVATE EQUITY FUNDS

- Amethis Finance
- IFHA – Investment Fund for Health in Africa

OUR INVESTMENT APPROACH

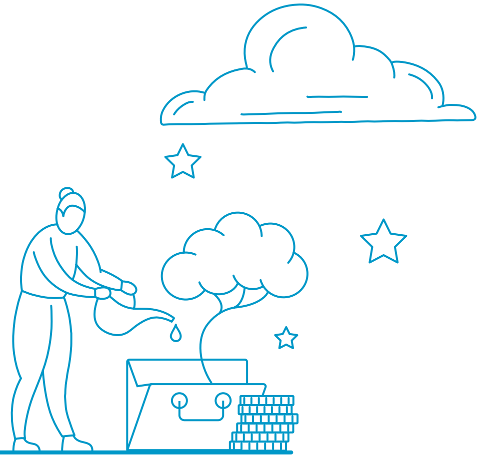
Describes What We Do.

We build sustainable businesses around our purpose: For A World We Can All Feel Proud Of.

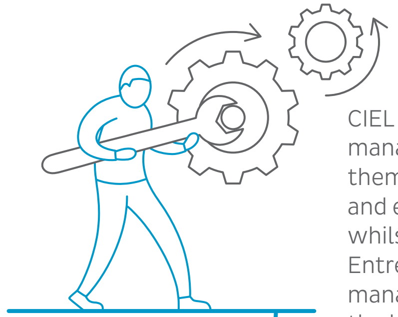
Our key contribution is to invest and grow businesses in our key markets and sectors. By succeeding in this, we will create long-term value for our clients, employees, partners, shareholders and society.

RESOURCES GOING INTO BUSINESS MODEL (INPUTS)

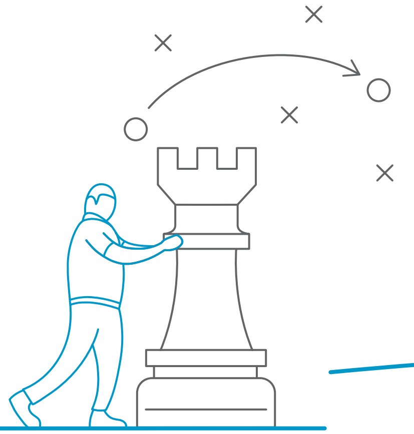
- Capital allocation
- Expertise
- Diverse talent
- Innovation
- ESG strategies



As pioneers in manufacturing to services, we make long-term investments in companies that can benefit from our capital allocation and expertise. We do this through controlling stakes or through partnerships and joint ventures.



CIEL provides strategic direction to management teams on key issues, holds them accountable to their business models and ensures good governance in operations, whilst allowing space for entrepreneurial spirit. Entrepreneurship, incentivisation, decentralised management and communication are the keys to our success.



We build and test new business models in Mauritius and Madagascar and perfect core capabilities of companies to become #1 in each of our sectors. We turn ordinary companies into extraordinary performers, delivering strong and consistent shareholder returns in the process.

Once we have developed core competencies and skills that are replicable, we take the model and expand into developing industries and growth countries. We then follow our strategic ambition by focusing on the customer satisfaction and experience.

We then execute commercially through a market-fit approach to ensure the sustainable success of CIEL's portfolio by driving operational excellence, shared learnings, building scale and increasing profits that benefit all our stakeholders.

VALUE FOR STAKEHOLDERS (OUTCOMES)

- Customer satisfaction
- Sustainable returns for shareholders
- Growth in services clusters
- Value creation in industrials and property
- Approx. 38,000 employment contracts /employee engagement
- Approx MUR 348M paid in taxes

OUR GROUP STRATEGY

Informs What We Do.

1 2 3 4 5

See Our Approach to Risk Management for details on the Group's associated risks or click on the associated risk icon below for more details

FINANCIAL CAPITAL
SOCIAL & RELATIONSHIP CAPITAL
HUMAN CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL
NATURAL CAPITAL

STRATEGIC PILLAR	ASSOCIATED KPI	PROGRESS THIS YEAR	KEY CAPITALS IMPACTED	SDGS TACKLED	ASSOCIATED RISKS	STAKEHOLDERS BENEFITTED	NEXT STEPS
Enhance Performance with Focus on EBITDA Generation	EBITDA Margin	• Increased revenue by 60% • Delivered improved margins in all established investment clusters • Contained costs across clusters notwithstanding headwinds created from Russia/Ukraine conflict and ongoing pandemic-related logistics issues • EBITDA margin increased year-on-year to reach 17.8% from 13.5% in the prior year	MUR	8 DECENT WORK AND ECONOMIC GROWTH	1 2 3 4 5	• Customers • Employees • Government • Suppliers • Shareholders • Financial and strategic partners	• Continued focus on optimising operations • Increase focus on improving cash flow and EBITDA generation • Focus on foreign currency positioning
Asset Management Optimisation	ROCE	• All clusters back to profitability with Group Profit After Tax increasing by 4.8x • Increased value of portfolio by 29% • Investments in new factory in Madagascar for Textile cluster • Additional rooms and upgrading of facilities at C-Care in Mauritius and Uganda • Increase in lab collection points for C-Lab • Creation of Evolis Properties Limited to focus on generating value from non-core industrial properties across the Group and turn into yielding assets • CIEL Properties Development Ltd launched La Pirogue Residences • Decreased debt by MUR 1 bn	MUR	8 DECENT WORK AND ECONOMIC GROWTH	1 3 4 5	• Customers • Employees • Government • Shareholders • Financial and strategic partners	• We continue to ensure profitability of existing assets • We will continue to seek balance between efficiency and reliability • Maintain suitable asset mix for long-term value creation • Focus on Evolis Properties Limited and Ferney to unlock value • Appropriate capital allocation strategies for growth sectors

OUR GROUP STRATEGY

Informs What We Do.

1 2 3 4 5

See Our Approach to Risk Management for details on the Group's associated risks or click on the associated risk icon below for more details

FINANCIAL CAPITAL
SOCIAL & RELATIONSHIP CAPITAL
HUMAN CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL
NATURAL CAPITAL

STRATEGIC PILLAR	ASSOCIATED KPI	PROGRESS THIS YEAR	KEY CAPITALS IMPACTED	SDGS TACKLED	ASSOCIATED RISKS	STAKEHOLDERS BENEFITTED	NEXT STEPS
Consolidate our Presence in Selective Regional Markets	Share of Revenue & Profits from International Markets	• Strategic partnerships at heart of CIEL strategy • The success of the consolidation of the portfolio is evident in the strong rebound across clusters • New Indian operations had a record-breaking year • Strategic partnership with SOCOTA to capitalise on regional presence. Foundations in place with machines transfer nearing completion for the creation of the largest woven fabric mill in the Indian Ocean • BankOne - accelerated strategy to pivot focus from Mauritius to sub-Saharan Africa • BNI Madagascar – largest bank by assets in Madagascar continued to deliver good returns • Exit from International Medical Group (IMG) in Nigeria completed	Intellectual, Manufactured, Human	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS	1, 3, 4, 5	• Customers • Employees • Government • Shareholders • Financial and strategic partners	• Capture new opportunities in growth sectors • Continue to consolidate our presence in regional markets by increasing efficiency and profitability of existing assets • Maintain competitiveness in fast growing sectors and markets
Nurture Talent Development	Fostering a Vibrant Workforce Dashboard	• Group diagnostics on 'Gender Balance' was undertaken across all clusters and geographies • Revamp and relaunch of CIEL HEC Leadership Programme • Implementation of Talent Reviews and Talent Development programme • Launch of new Human Capital Management system to enhance employee experience in Textile	Human	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	3	• Customers • Employees	• Develop action plan by cluster to deliver pay parity by 2025 • Enhance our Diversity & Inclusion impact through onboarding differently-abled employees across all our operations • Third edition of CIEL Innovation Awards • Achieve top employer certification for selected business units • Deliver improved employee experience though digital solutions

OUR GROUP STRATEGY

Informs What We Do.

1 2 3 4 5

See Our Approach to Risk Management for details on the Group's associated risks or click on the associated risk icon below for more details

FINANCIAL CAPITAL

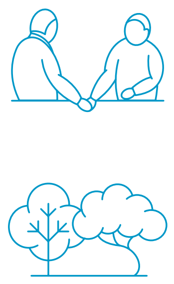
SOCIAL & RELATIONSHIP CAPITAL

HUMAN CAPITAL

MANUFACTURED CAPITAL

INTELLECTUAL CAPITAL

NATURAL CAPITAL

STRATEGIC PILLAR	ASSOCIATED KPI	PROGRESS THIS YEAR	KEY CAPITALS IMPACTED	SDGS TACKLED	ASSOCIATED RISKS	STAKEHOLDERS BENEFITTED	NEXT STEPS
 **Embrace Sustainability for Long Term Value Creation**	Activate Climate Response and Champion Inclusive Growth Dashboards	• Implementing roadmap in alignment with the Group Sustainability Strategy 2020-2030 • Structuring of internal processes to better harness in-house knowledge and expertise from our Sustainability Champions and colleagues, notably by exploring thematic cross-cluster/ cross-functional teams • Completion of the Go Green Capex Campaign to assess the level of capital expenditure required to achieve climate related objectives of the CIEL Textile cluster • Furthering partnerships with University of Mauritius at our La Pirogue Marine Conservation Centre and Long Beach Coral Nursery • Launched the Katapult Mauritius Accelerator at Ferney Agri-Hub, which hosted seven start-ups from Mali, Ghana, Nigeria, India, and Tunisia in Ferney. The aim is to facilitate funding and leverage expertise from Katapult Norway to accelerate the adoption of technology in agriculture and food supply chains across Africa			1 3 4	• Customers • Employees • Communities • The environment See how we communicate with our stakeholders here	• Launch of solar roof project at Tropic Knits Limited • Launch of a Group Sustainability management tool • Update of CIEL Sustainability Strategy notably the Climate Strategy • Evidence-based targets project

OUR BUSINESS MODEL

Describes How We Do It.

Key Group Inputs
Activities

HUMAN CAPITAL

38,000+ Employees

MUR **219,156** Invested in training

78% Workforce trained

FINANCIAL CAPITAL

MUR **1.6** bn Free cash flow

MUR **26.4** bn Total equity

MUR **98.2** bn Total assets

MANUFACTURED CAPITAL

30+ Buildings, factories and hotels

3 Hospitals

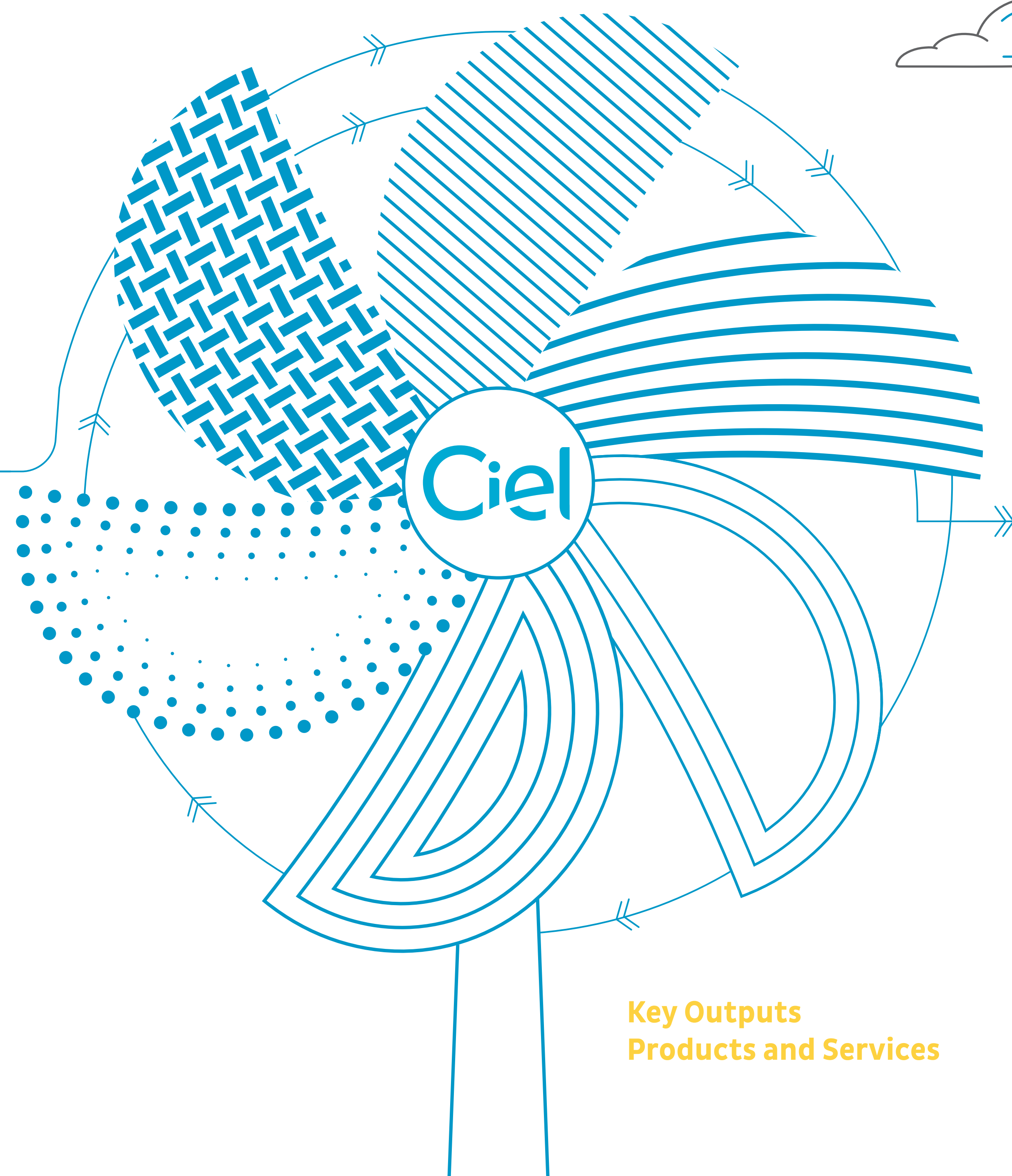
20 Clinics

SOCIAL & RELATIONSHIP CAPITAL

MUR **19.8**M Funds engaged in community empowerment

NATURAL CAPITAL

156,142 MWh Consumption of electricity



Key Outputs
Products and Services

Key Outcomes
Value Created for our Stakeholders

HUMAN CAPITAL

MUR **887,408** Average revenue per employee

1,146 Internal appointments (mobility)

12% Pay gap at management level

FINANCIAL CAPITAL

MUR **11.3** bn Market capitalisation

MUR **2.2** bn PAT

MUR **0.21**/share Dividends declared

MANUFACTURED CAPITAL

MUR **1.8** bn In Evolis Properties Limited, a dedicated property vehicle

29% increase Value of the investment portfolio

43.5M Garments/year

SOCIAL & RELATIONSHIP CAPITAL

126,350 Number of beneficiaries for community empowerment projects

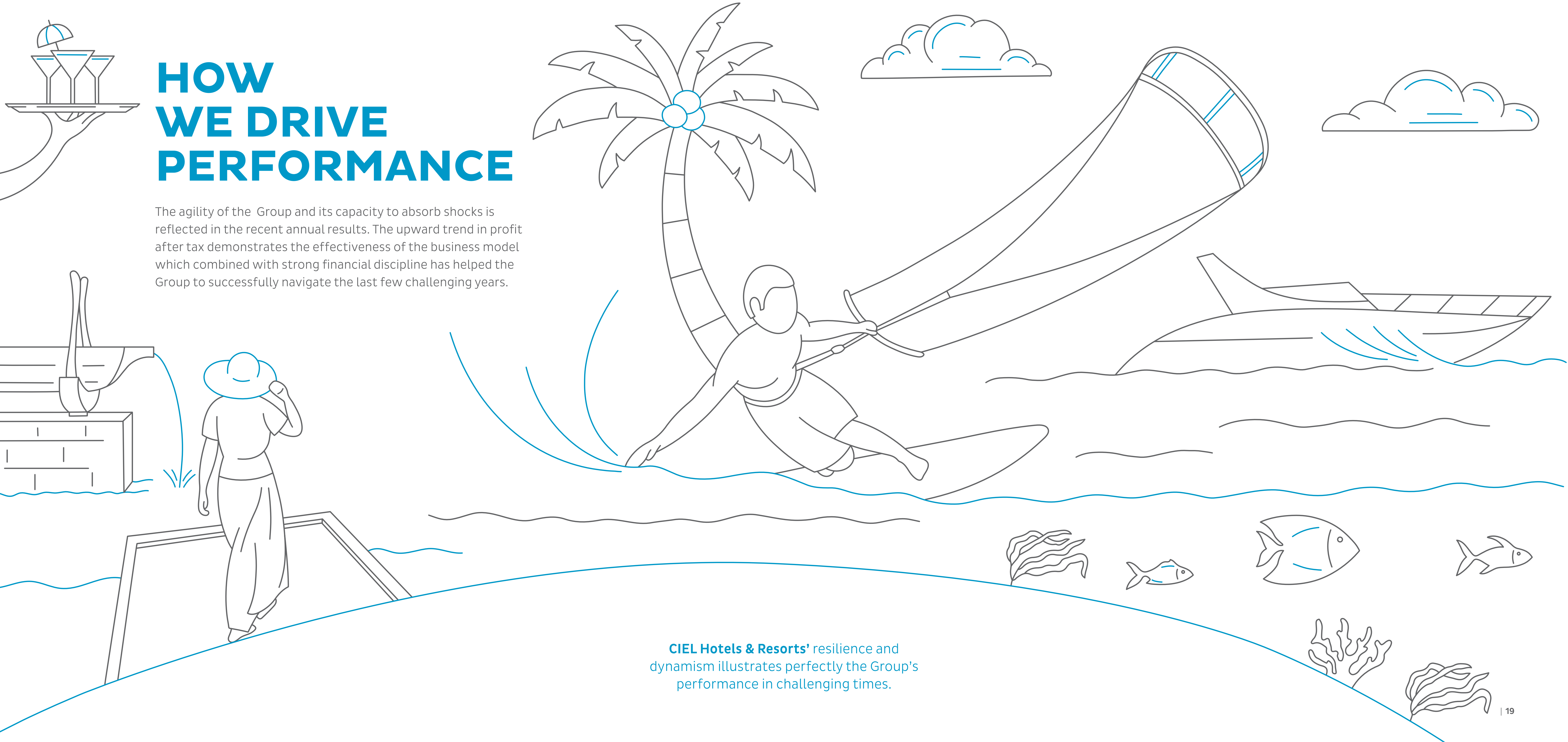
NATURAL CAPITAL

62,366 tCO^2eq Carbon emissions

30%- Reduction of carbon emissions on prior year

HOW WE DRIVE PERFORMANCE

The agility of the Group and its capacity to absorb shocks is reflected in the recent annual results. The upward trend in profit after tax demonstrates the effectiveness of the business model which combined with strong financial discipline has helped the Group to successfully navigate the last few challenging years.



CIEL Hotels & Resorts' resilience and dynamism illustrates perfectly the Group's performance in challenging times.

INSIGHTS FROM OUR GROUP FINANCE DIRECTOR

L. J. Jérôme De Chasteauneuf

The financial year ended 30 June 2022 resulted in a remarkable financial performance across all our sectors of activities. The much-awaited rebound of our group activities post the pandemic led to a record year, both in terms of profit after tax and profit attributable reaching MUR 2.2 bn and MUR 1.3 bn, respectively. Earnings per share reached MUR 0.77 which implies a current price to earnings ratio of 8.7 at 30 June 2022.

THE FINANCE STRATEGY

The strategy aims at optimising the allocation of our financial resources across our sectors of activities to ensure capital growth of our portfolio and sustained dividend growth for our shareholders. With proper allocation we aim at beating our cost of capital target, maximising profits and improving the value of the CIEL portfolio over the long-term.

We have positioned EBITDA and Return on Capital Employed (ROCE) as indicators to measure achievement. With EBITDA, we are measuring our ability to generate cash and we measure our capital efficiency through quantifying ROCE.

We need to invest for future growth and to do this diligently, we need financial discipline. Free cash flow for the year reached MUR 1.6 bn (2021: MUR 986M) and we have a solid capital base with net interest-bearing debt reducing by MUR 1.0 bn to stand at MUR 13.1 bn. The resulting gearing ratio of 33.2% was down from 39.0% and net debt to EBITDA of 2.6, was well below the prior year's 5.9.

In order to execute our business strategy to meet market expectations, we will continue to balance growth in investments and profitability with increasing shareholder returns and maintaining a sound financial structure.

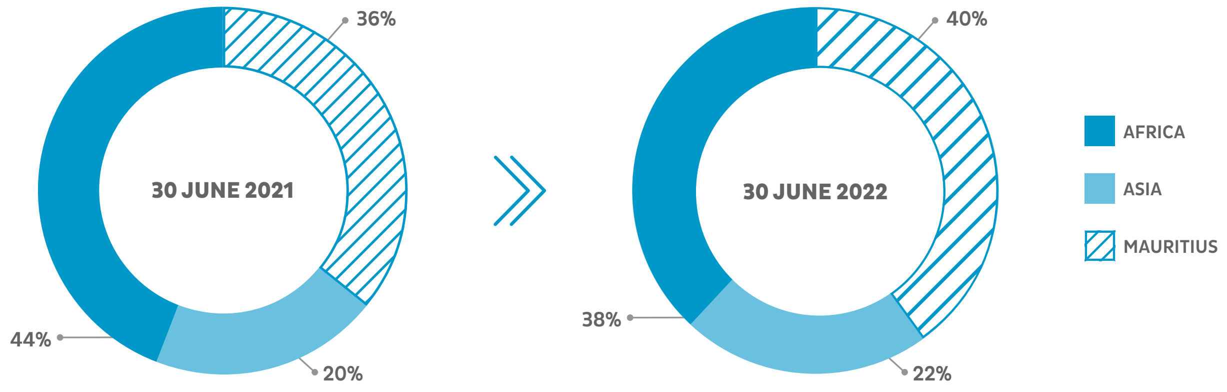
At the Group level, we ensure sound business practices in our clusters, manage investments aimed at future growth, understand financial indicators - not just the numbers but also the conditions surrounding them - and provide timely decision-making and operational support.

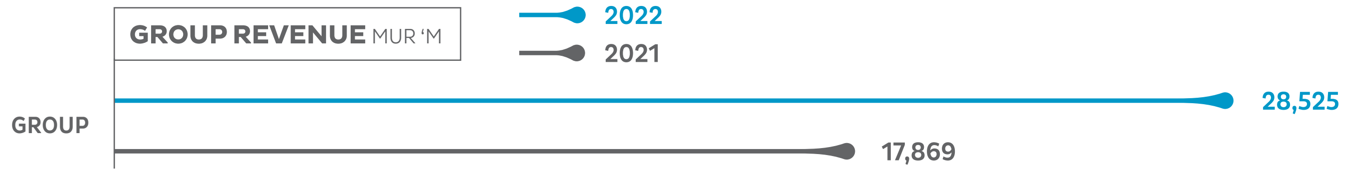
Moreover, if we are to win in today's world, we cannot just retain funds needed for investment – we must also reinforce the non-financial measurement methodologies that will ensure the sustainable growth of both CIEL and society.

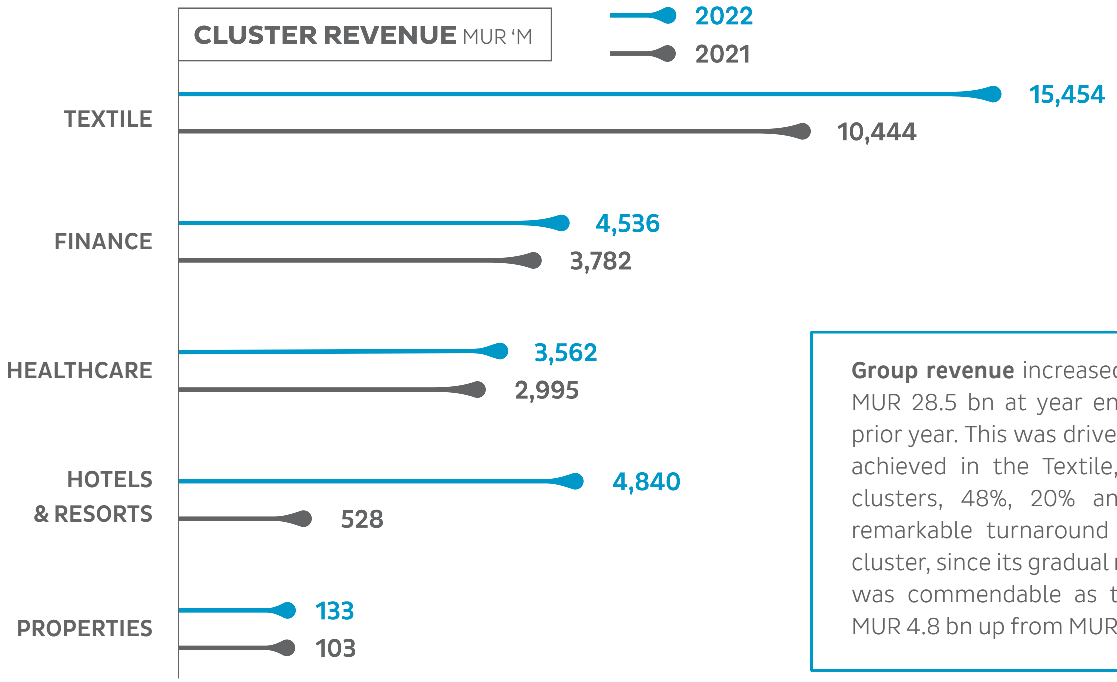
The effects of reinforcing non-financial measurement methodologies may not become immediately apparent in numerical form, but I believe that fulfilling this responsibility will lead to greater corporate value for CIEL in the long run. You can see more on our journey in this regard in the Focussing on a Sustainable Future section of this report.

INCOME STATEMENT ANALYSIS

WHERE WE GENERATE OUR REVENUE







Group revenue increased by MUR 10.6 bn to reach MUR 28.5 bn at year end, a 60% increase on the prior year. This was driven by the sustained growth achieved in the Textile, Finance and Healthcare clusters, 48%, 20% and 19% respectively. The remarkable turnaround in the Hotels & Resorts cluster, since its gradual reopening in October 2021, was commendable as they achieved revenue of MUR 4.8 bn up from MUR 528M in the prior year.

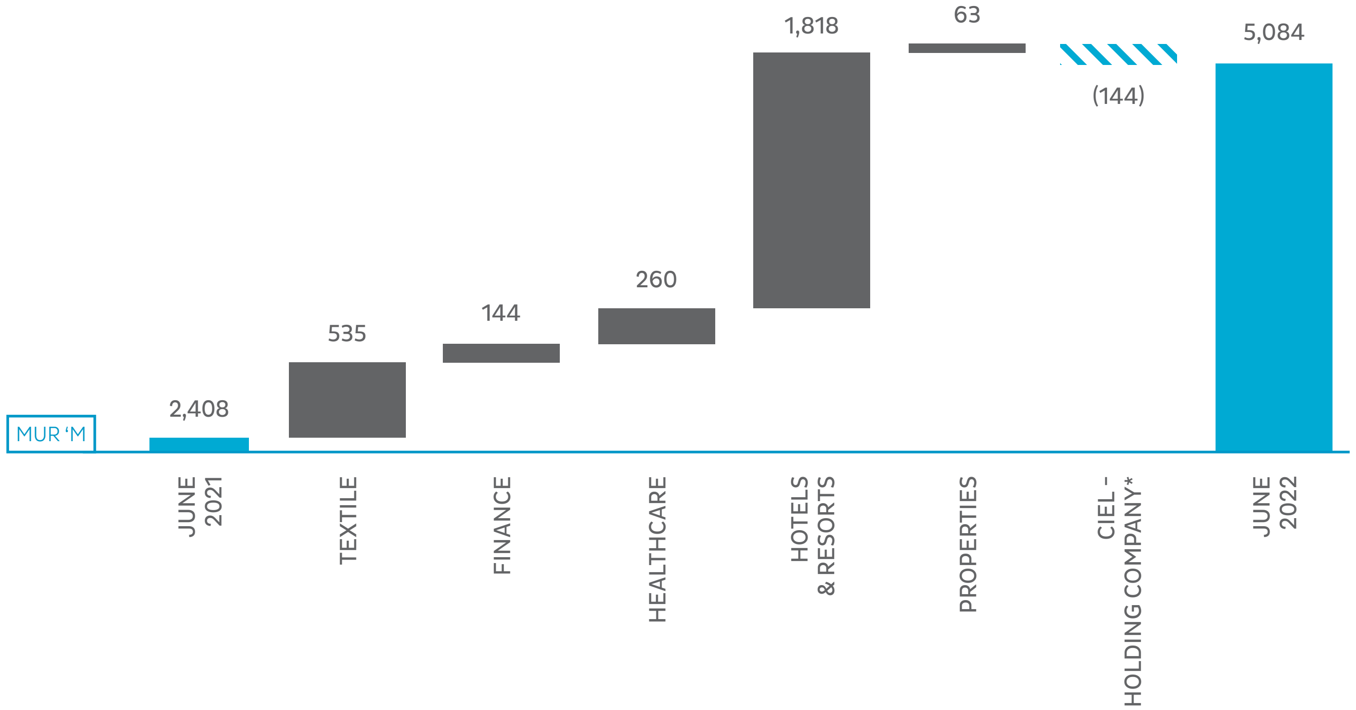
INCOME STATEMENT ANALYSIS

The Group's **profit after tax** rose by MUR 1.7 bn to MUR 2.2 bn, up from MUR 446M in the prior year as all clusters exceeded expectations with strong earnings rallies.

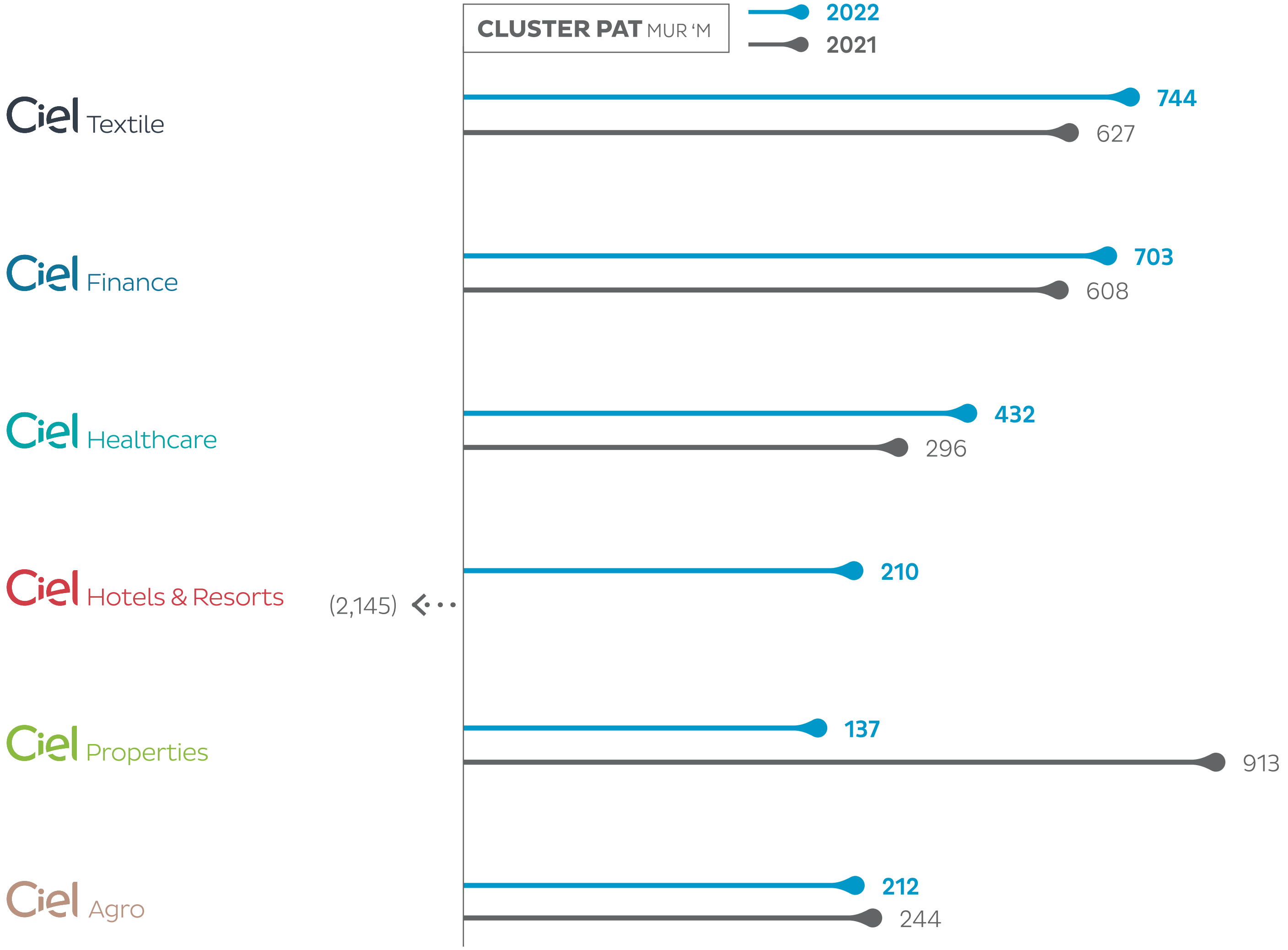
Profit attributable to owners of the parent increased more than 100% to MUR 1.3 bn compared to MUR 617M Win the same period in 2021.

EBITDA

Earnings before interest, taxation, depreciation, amortisation and impairment ("EBITDA") increased over 100% year on year, a MUR 2.7 bn increase to MUR 5.0 bn. This led to high double-digit margins across clusters leading to a Group EBITDA margin of 17.8%, up from 13.5% in the year ended 30 June 2021.



*Net of Group eliminations



FINANCIAL REVIEW

	MUR 'M	2022	2021	% Change
	Revenue	28,525	17,869	60%
A	EBITDA[1]	5,084	2,408	>100%
	Depreciation and amortisation	(1,390)	(1,301)	7%
	Earnings Before Interests and Taxation (EBIT)	3,694	1,107	>100%
B	Expected credit losses	(474)	(286)	66%
C	Fair value gain on investment properties	185	960	(81%)
	Net finance costs	(851)	(1,275)	(33%)
D	Share of results of associates & joint ventures net of tax	432	267	62%
	Profit before tax	**2,985**	**773**	**>100%**
E	Taxation	(545)	(80)	>100%
	Profit from continued operation	**2,441**	**693**	**>10%**
F	Loss from discontinued operation	(287)	(247)	16%
	Profit for the period	**2,154**	**446**	**>100%**
	Attributable to:			
	Owners of the Parent	1,300	617	137%
	Non controlling interests	854	(171)	66%
		2,154	**446**	**>100%**
	Basic and diluted earnings per share (MUR)	0.77	0.37	>100%
	EBITDA Margin	17.8%	13.5%	
	Equity	26,383	22,185	19%
	Net Asset Value per Share (Group)	10.50	8.85	19%
	Net Asset Value per Share (Company)	12.49	9.28	35%
	Net Interest Bearing Debt	13,134	14,157	(7%)
	Gearing = Debt/(Debt+Equity)	33.2%	39.0%	
	DEBT to EBITDA[2]	2.6	5.9	
	Capital Employed	39,517	36,342	9%
	ROCE	9.7%	5.6%	
	Dividend per share (MUR)	0.21	-	(100%)
	Market Capitalisation (MUR 'bn)	11,305	8,603	31%

[1]Earning before interest, tax, depreciation, amortisation, impairment and fair value adjustment of investment property

[2]Excludes quasi-equity loan from MIC

A **EBITDA** increased over 100% year on year, a MUR 2.7 bn increase to MUR 5.0 bn. This led to high double-digit margins across clusters leading to a Group EBITDA margin of 17.8%, up from 13.5% in the year ended 30 June 2021.

B **Expected credit losses** increased by MUR 474M for the year under review, as a result of the growth in the loan book at BNI Madagascar of MUR 4.8 bn due to the worsening of the probability default rates year on year in Madagascar, together with specific provisions on BNI's corporate book.

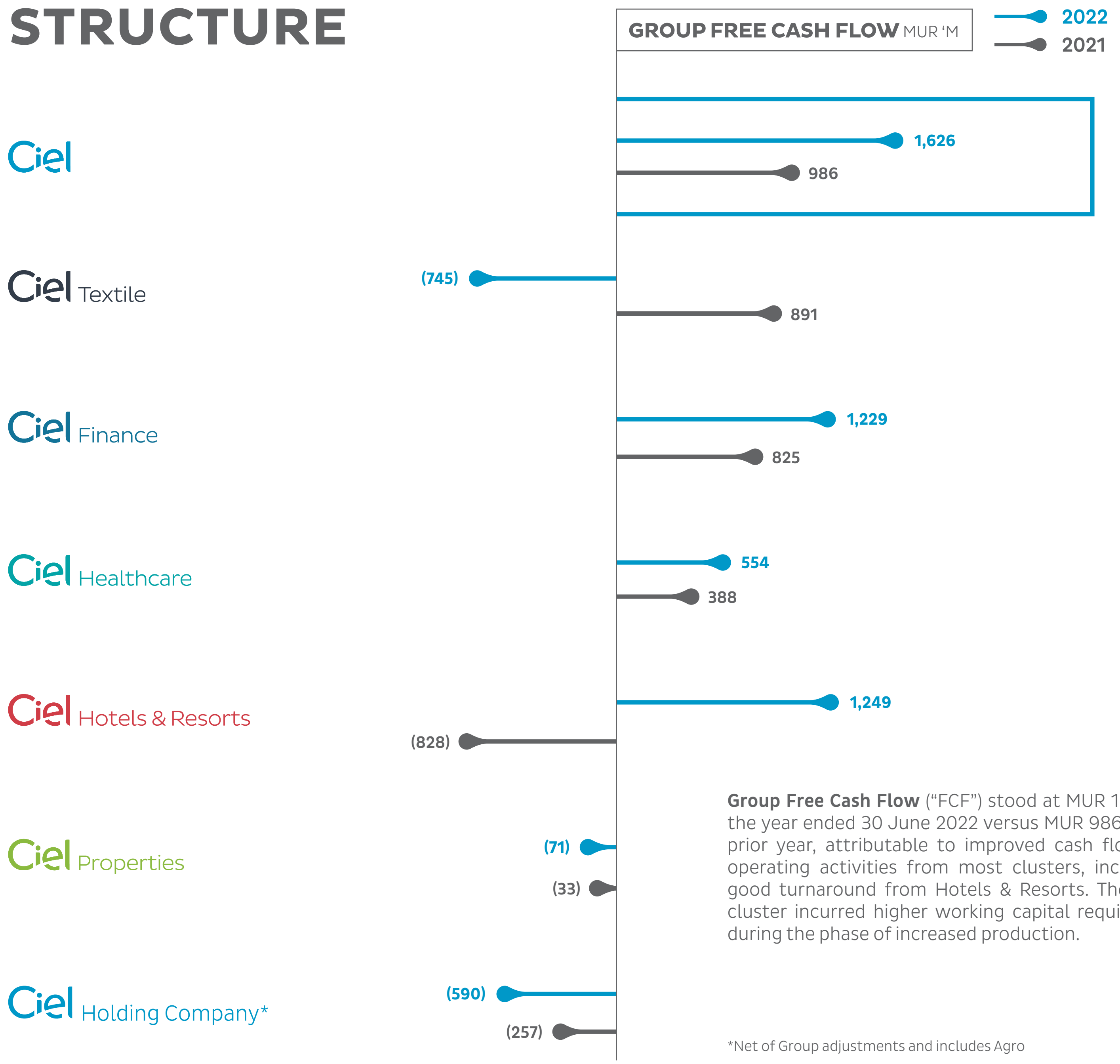
C **Fair value gain in investment properties** stood at MUR 185M for the 2022 year end, mainly related to the properties transferred to our newly incorporated property vehicle, Evolis Properties Limited, compared to the prior year's MUR 960M that benefitted from the fair value gain of Ferney land.

D **The share of results of associates and joint ventures** increased by MUR 165M to MUR 432M, largely owing to increased profitability at Bank One, CIEL's 50% share of profit reaching MUR 188M compared to MUR 67M in the prior year. Our share of Alteo profit of MUR 212M was slightly lower than 2021 owing to one-off items boosting the prior year profit. In addition, Anahita Golf & Villa Resort (ARVL) contributed positively to our share of profit with MUR 10M from a loss of MUR 68M in the prior year.

E **Income tax charge** was MUR 465M higher for the year on account of increased profitability across all clusters. Major increases came from the Textile cluster's Indian operations where the tax rate averages 21% and a tax charge of MUR 51M from SUN, which had deferred tax credits of MUR 225M on account of losses in the prior year. In addition, Healthcare has fully utilised its prior year's tax assets against taxable profit and now has a tax charge of MUR 91M (2021: MUR 7M).

F **Loss from discontinued operation** for the year ended 30 June 2022 was at MUR 287M on account of closure costs associated with Consolidated Fabrics Limited operations in Mauritius as part of the partnership signed with SOCOTA (2021: MUR 247M).

FINANCIAL STRUCTURE

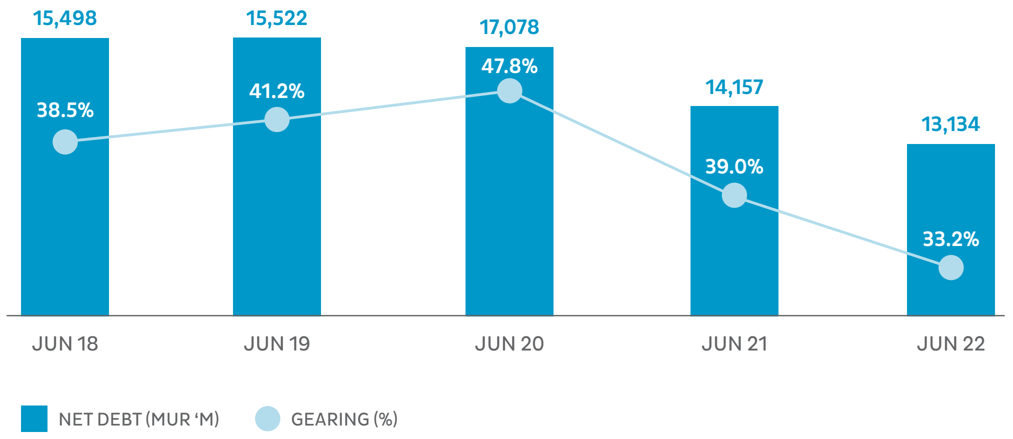


Group Free Cash Flow ("FCF") stood at MUR 1.6 bn for the year ended 30 June 2022 versus MUR 986M in the prior year, attributable to improved cash flow from operating activities from most clusters, including a good turnaround from Hotels & Resorts. The Textile cluster incurred higher working capital requirements during the phase of increased production.

*Net of Group adjustments and includes Agro

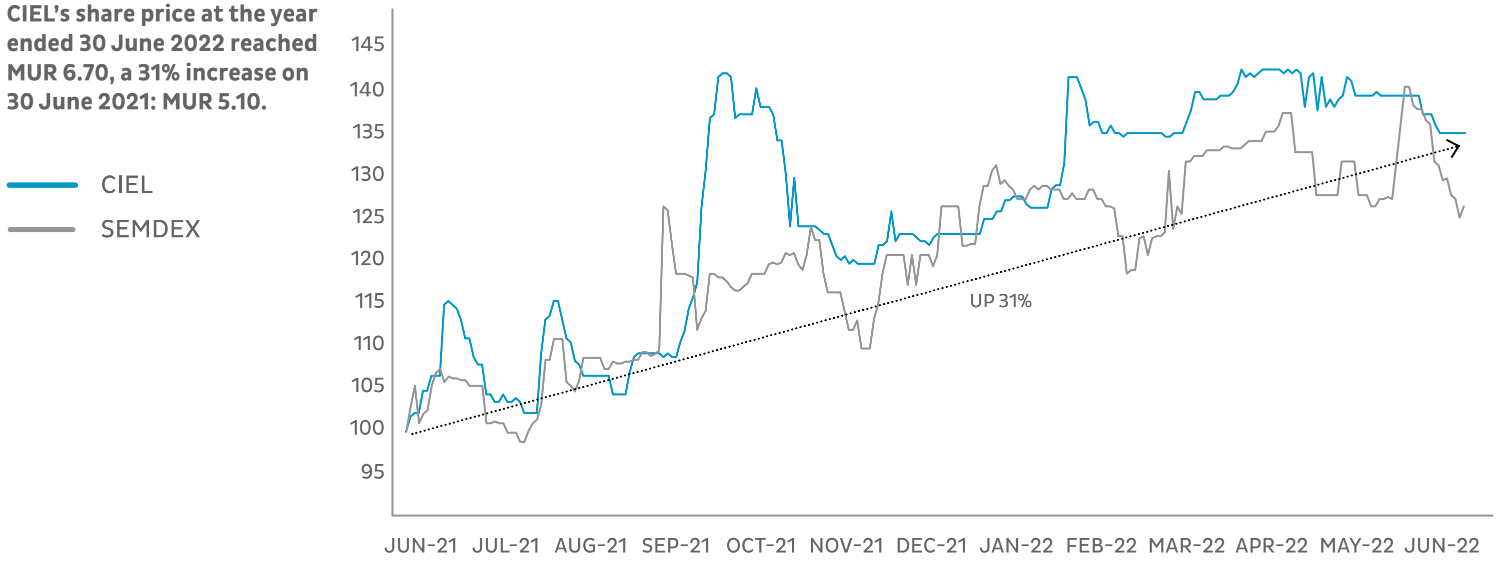
Group net interest-bearing debt decreased by MUR 1 bn to MUR 13.1 bn at the year ended 30 June 2022, reflecting the bond repayment in December 2021 of MUR 1.7 bn as well as the additional disbursement in the form of quasi equity of MUR 548M from the Mauritius Investment Corporation at SUN Group level (Hotels & Resorts cluster). This reduction was further enhanced by the positive free cash flow generated from the Group's operations of MUR 1.6bn. Group gearing reached a healthy 33.2% compared to 39.0% as at 30 June 2021.

GROUP NET INTEREST-BEARING DEBT

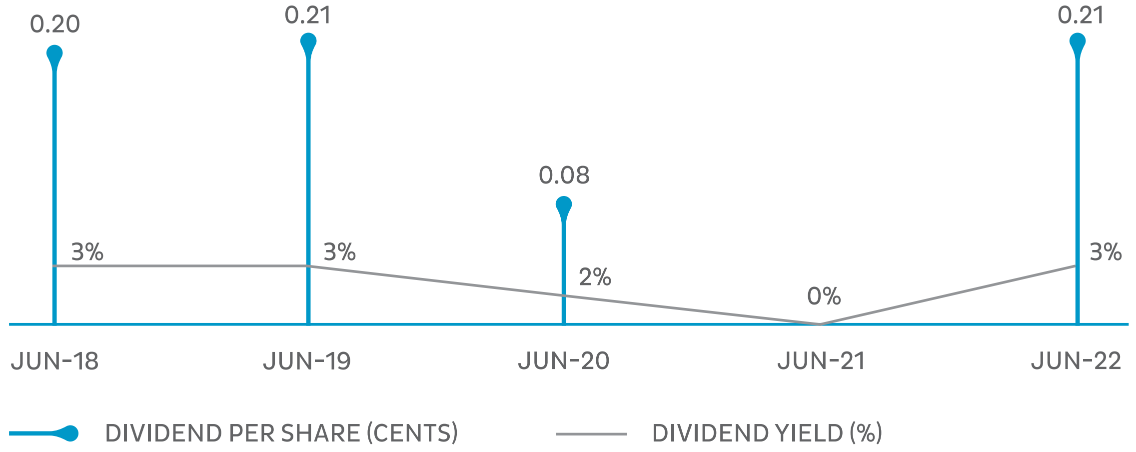


SHARE PRICE

CIEL's share price at the year ended 30 June 2022 reached MUR 6.70, a 31% increase on 30 June 2021: MUR 5.10.



DIVIDEND ANALYSIS



INVESTMENT PORTFOLIO

At Company level, the total portfolio value has increased by 29%. The total portfolio value was positively impacted by the increase in value of all of the underlying clusters of the Group namely:

C-Care: the volume-weighted average price of C-Care increased by 82% to MUR 18.82 (2021: MUR 10.35).

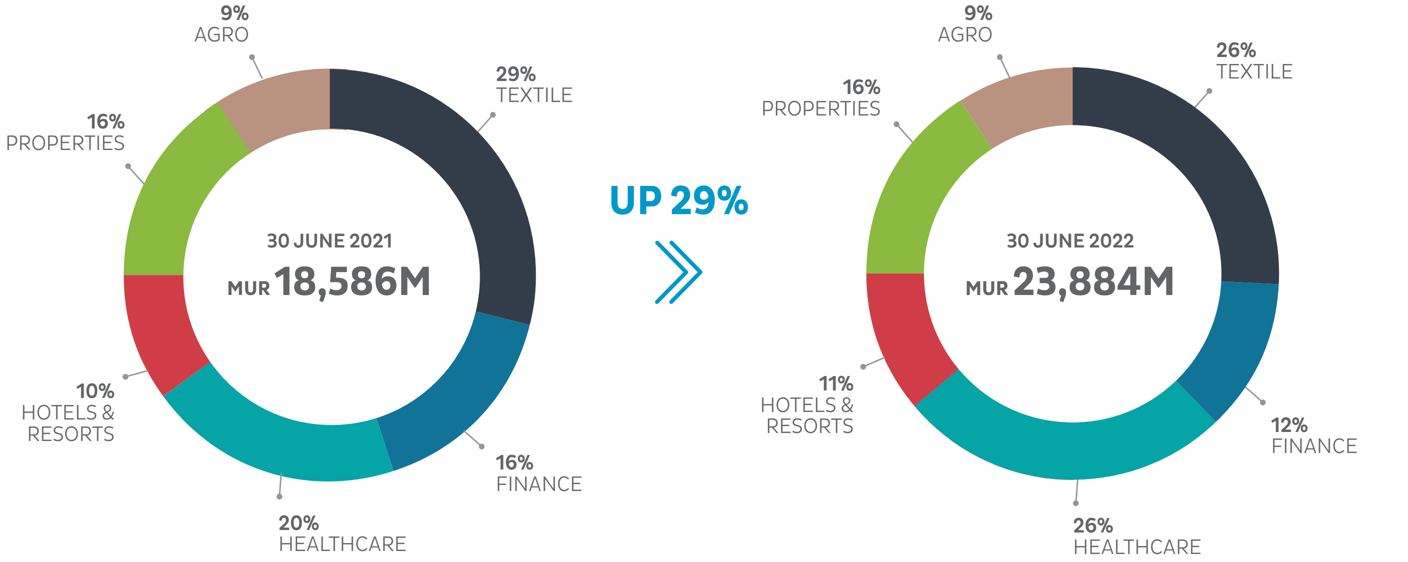
Hotels & Resorts: SUN's share price increased by 39% to MUR 25.75 (2021: MUR 18.50).

Agro: Alteo's market price increased by 23% to MUR 31.80 (2021: MUR 25.80).

Properties: valuation increased by 32% resulting from the MUR 783M assets transferred from the Textile cluster into the new property vehicle, Evolis Properties Limited and the subsequent revaluation of MUR 277M as at 30 June 2022.

Textile: revalued once a year in June using the discounted cash flow model and has increased its valuation by 12% founded on projections based on its healthy order books at strong margin levels.

Company Net Asset Value grew by 35% to MUR 12.49 per share for the year ended 30 June 2022 versus MUR 9.28 at year end 2021.



CIEL TEXTILE

CLUSTER REVENUE	EBITDA	PROFIT AFTER TAX
MUR 15,454M	**MUR 1,720M**	**MUR 744M**
2021: MUR 10,444M	2021: MUR 1,185M	2021: MUR 627M

4
COUNTRIES

350M USD
TURNOVER

43.5M
GARMENTS / YEAR

19
PRODUCTION UNITS

23,000
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

Eric Dorchies
Chief Executive Officer of CIEL Textile, discusses performance and operating context.

ESG COMMITMENTS

CIEL TEXTILE CARBON FOOTPRINT

Our aim is for no more coal as fuel in CIEL Textile. Signatory of the Zero Discharge of Hazardous Chemicals ("ZDHC"), an organisation working on the implementation of safer chemistry practices to protect consumers, workers and the environment. Full member of the Sustainable Apparel Coalition ("SAC"), an alliance of stakeholders in the Textile & Apparel supply chain, addressing the urgent, global systemic challenges.

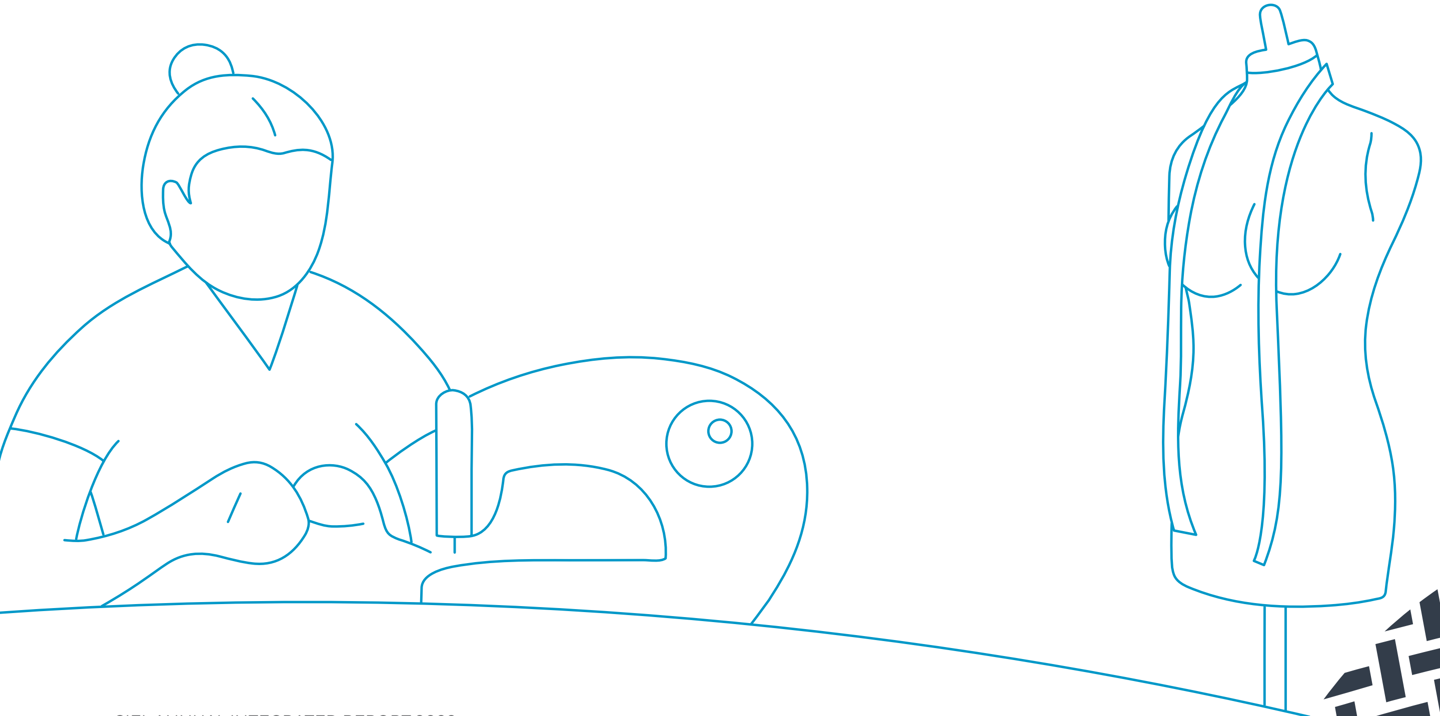
SUSTAINABILITY IN FINANCE

Launched the sustainability in finance journey. Training and awareness to finance team, structuring our investments to be able to identify which investment can be classify as sustainable investment, working on new credits lines with banks for the purchase of sustainable raw materials, identified the green loans and grants available on the market for CIEL Textile.

CIEL TEXTILE

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
• Pursue strategic vision around: - Sustainability - Digitalisation - Talent Development • Attract new business thanks to one stop shop solution • Capitalise on geographic positioning and develop the region as a textile hub with Madagascar and Mauritius working in closer alignment for retailers looking to source products beyond China • Manage transition toward the strategic partnership with SOCOTA to develop the largest woven fabric mill in the Indian ocean region, opening up significant growth opportunities	• Invest and grow our woven shirts manufacturing capacities in India to capture fast-growing demand for "Made in India" products • Turn around Tropic Group through market-product positioning adjustments and manufacturing performance enhancements • Manage and provide full support to COTONA (Madagascar) for the JV business plan execution • Pursue our strategic vision around digitalisation • Accelerate the deployment of our photovoltaic electricity generation across our regions



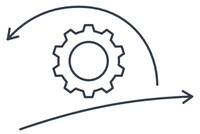
PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
• Capitalise on new brand identity • Foster better integration of MOE 361° (Masters of Excellence) Leadership Academy within HR processes • Launch CIEL Textile Graduate Program in Madagascar • Continue the consolidation of operations and teams to become leaner and fitter • Implement a solid succession plan process across the group	• CO^2 emissions evaluation Scope 1, 2 and 3 as well as implementation of a comprehensive supply chain traceability tool • Attract excellent talents to enhance the effectiveness of our high-level succession plan process • Launch a CIEL Textile International Graduate Program

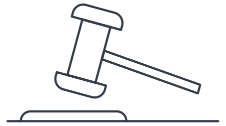
IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- External economic shocks can negatively impact operations and sourcing

FINANCIAL
- Foreign exchange rate volatility may lead to difficulty in predicting financial results



OPERATIONAL (CYBER)
- The risk of lost work days in operation due to possible cyber related incidents

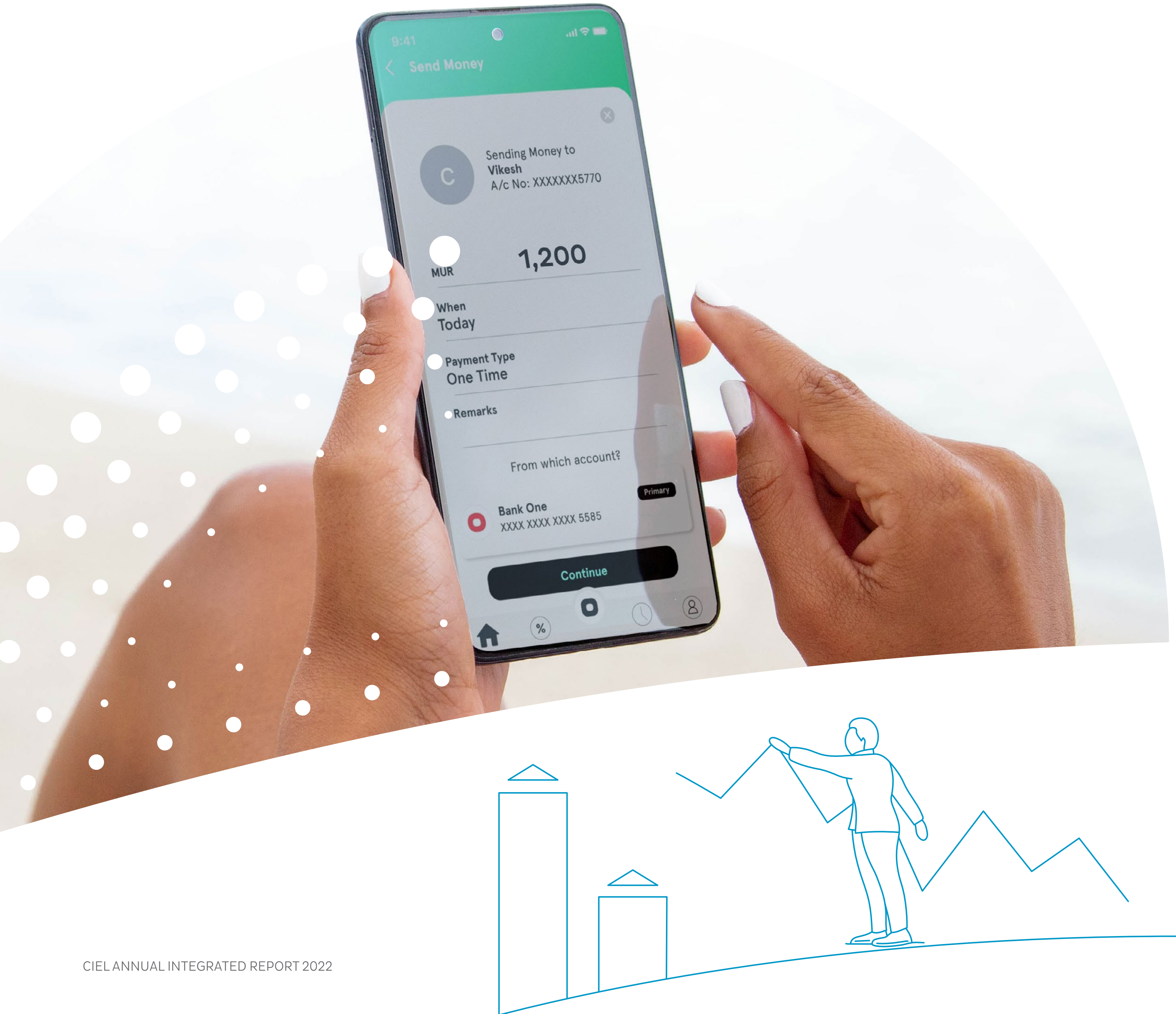


COMPLIANCE
- Ever-evolving regulatory and compliance requirements can lead to reputational damage

OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES

1 2 3 4 5

CIEL FINANCE



CLUSTER REVENUE	EBITDA	PROFIT AFTER TAX
MUR 4,536M	**MUR 1,409M**	**MUR 703M**
2021: MUR 3,782M	2021: MUR 1,265M	2021: MUR 608M

4
COUNTRIES

2
BANKS

1
FIDUCIARY & CORPORATE SERVICES COMPANY

1
STOCKBROKING COMPANY

1,600
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

Lakshman Bheenick
Chief Executive Officer of CIEL Finance discusses performance and operating context.

ESG CONTRIBUTION

GENDER BALANCE
Includes a salary benchmark and alignment with market practices and Learning & Development agenda with focus on career path and talent management

CARBON ACCOUNTING
Project undertaken to obtain insights on the cluster's carbon emissions and implement a system for initial data collection

CIEL FINANCE

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
CIEL Finance	**CIEL Finance**
• The Board held a strategic session in October 2021 to define broadly the new CFL strategy • Digital and data journey being embedded across the two banks	• Progress on the execution of the new CFL strategy, which encompasses a digital / fintech angle
Bank One	**Bank One**
• POP has been launched • Roll-out of an upgraded internet banking platform • Launch of Falcon, a new FX trading platform for customers • Focus on data and analytics to enhance its transformation change programme	• Deepen focus on new Sub-Saharan strategy • Integrate POP into the current Bank One banking app • Roll-out trade finance platform • Grow market share for domestic mortgages
MITCO	**MITCO**
• Low levels of new business partially mitigated by good cost control and lower provisions that prior year	• Target for excellence for customer experience • Develop new products and services as per client needs

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
BNI Madagascar	**BNI Madagascar**
• The Bank has launched a number of initiatives to achieve the objectives set under the “Grow Better” programme • BNI remains the leader on the market both on the credit and deposit fronts • BNI has set up a new segment ‘DPME (Direction Petites et Moyennes Entreprises)’ to integrate all SME (Small Medium Enterprises) activities to further the inroads made with KRED, the brand dedicated to microfinance	• Upgrade the core banking system • Focus on operational excellence • Grow healthy loan book (corporates) • Develop new products and services as per clients’ needs in line with “Grow Better” strategy • Maintain position as leader on the market both on the credit and deposit fronts

IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- Keeping pace with the digital transformation of the financial services sector

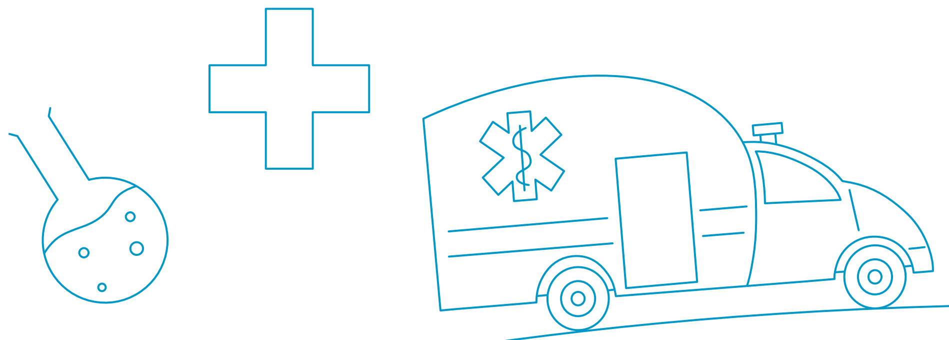
FINANCIAL
- Global macro-economic conditions (Ukraine Russia crisis) and phasing off of COVID-19 relief measures leading to deterioration in the credit risk profile

OPERATIONAL (CYBER)
- Rising to the cyber risk challenge given that financial services companies are prime targets for cybercriminals

COMPLIANCE
- Increasing and/or stringent regulatory and legislative changes which require investment and embedment

OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES 1 2 3 4 5

CIEL HEALTHCARE



CLUSTER REVENUE	EBITDA	PROFIT AFTER TAX
MUR 3,562M	**MUR 817M**	**MUR 432M**
2021: MUR 2,995M	2021: MUR 557M	2021: MUR 296M

2
COUNTRIES

3
HOSPITALS

20
PRIMARY AND SECONDARY CARE CLINICS

3
MAIN CENTRAL LABORATORIES

32
C-LAB COLLECTION CENTRES

2,170
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

Hélène Echevin
Chief Executive Officer ofC-Care (International) Limited discusses performance and operating context.

ESG CONTRIBUTION

CARBON ACCOUNTING AND MANAGEMENT TOOL PROJECT

The project consists in assessing the carbon footprint of C-Care (International) Ltd. The full assessment will be carried out in March 2023 by an external organisation.

ACT FOR YOUR COMMUNITY

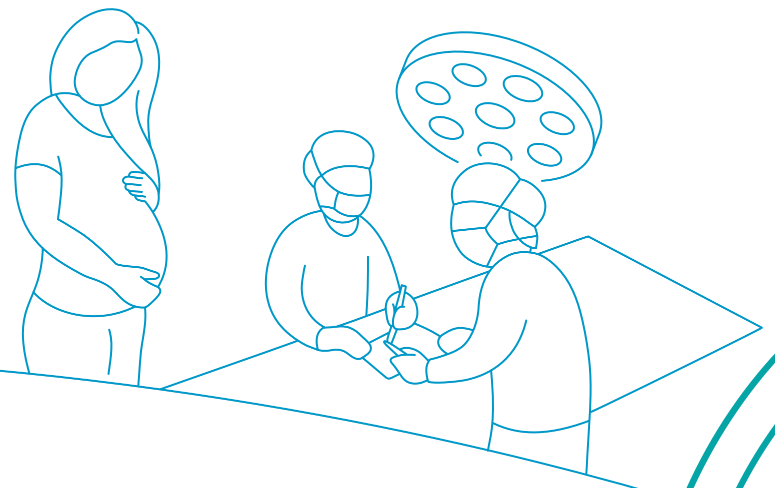
Our CSR framework is being finalised and will be completed end of 2022. It aims to support vulnerable groups of people in our community, with a specific attention to adults and children suffering from diabetes (the main non-communicable disease in Mauritius).

Our goal is to give back to the community and democratise access to quality healthcare through free screening services and engaging NGOs on training programmes.

CIEL HEALTHCARE

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
C-Care International	**Renaming C-Care International**
• Consolidate C-Care brand equity	• Finalise rebranding and new communication strategy
C-Care Mauritius	**C-Care Mauritius**
• C-Care Darné renovation • Oncology unit project started • Start of construction of the new C-Care Clinic in Grand Baie • Accelerate digital journey and leverage business intelligence tools to drive efficiencies • Continue to focus on patient care and quality across operations • Continue to improve clinical and non-clinical procedures in view of Comprehensive Health Knowledge System (CHKS) • CHKS certification in progress for C-Care • Launched nursing school in partnership with Charles Telfair Institute	• Quality strategy: Comprehensive Health Knowledge System (CHKS) Accreditation obtained • C-Care App: Launch • C-Lab: Increase number of collection centres • C-Care Darné renovation of levels, maternity ward and new wellness centre and oncology unit • C-Care Grand Baie: Work in Progess • C-Care Tamarin: Relocalisation



PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
C-Care Uganda	**C-Care Uganda**
• Successful re-branding • Revamping of hospital • Revamping of Jinja Clinic • Drive occupancy and asset utilisation • Launch of C-Lab Uganda: In-house laboratory operations • Successful exit from insurance business	• Continue to increase volumes and asset utilisation e.g. CT scan • C-Care IHK: Maternity ward renovation • C-Care Clinic: Renovations and relocations
C-Lab	**C-Lab**
• The Ugandan market continues to benefit from its newly launched laboratory activities under C-Lab Uganda	• Uganda: Opening of eight new collection centres • Mauritius: continue to grow the C-Lab footprint

IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- New entrants in the market
- Lack of clinical staff (nurses)
- Purchasing power caused by high inflation

FINANCIAL
- Risk of recession affecting revenue
- Inflation increasing cost base and not being able to pass this on to customers

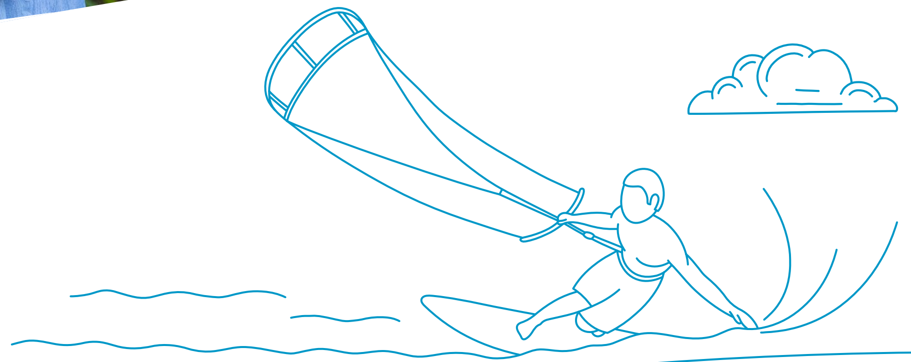
OPERATIONAL
- Recruiting and retaining talents

COMPLIANCE – HEALTH & SAFETY
- Risk of data breaches

OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES

1 2 3 4 5

CIEL HOTELS & RESORTS



CLUSTER REVENUE	EBITDA	PROFIT AFTER TAX
MUR 4,840M	**MUR 1,224M**	**MUR 210M**
2021: MUR 528M	2021: (MUR 594M)	2021: (MUR 2,145M)

6
OWNED AND MANAGED PROPERTIES IN MAURITIUS

1
PRIVATE ISLAND

1
WORLD RENOWNED GOLF COURSE

2
TOUR OPERATORS

3,500
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

Francois Eynaud
Chief Executive Officer of Sun Limited discusses performance and operating context.

ESG CONTRIBUTION

ENVIRONMENT

Many initiatives have been taken to minimise the environmental impact of hotel activities, including wastewater management, organic waste, local produce, an endemic nursery, protecting bees, single use plastic. Energy usage is also a SunCARE priority. In this respect, all Sun's hotels have been equipped with a vast network of photovoltaic panels (1.5 MW) used to heat hot water without having to impact on the national grid.

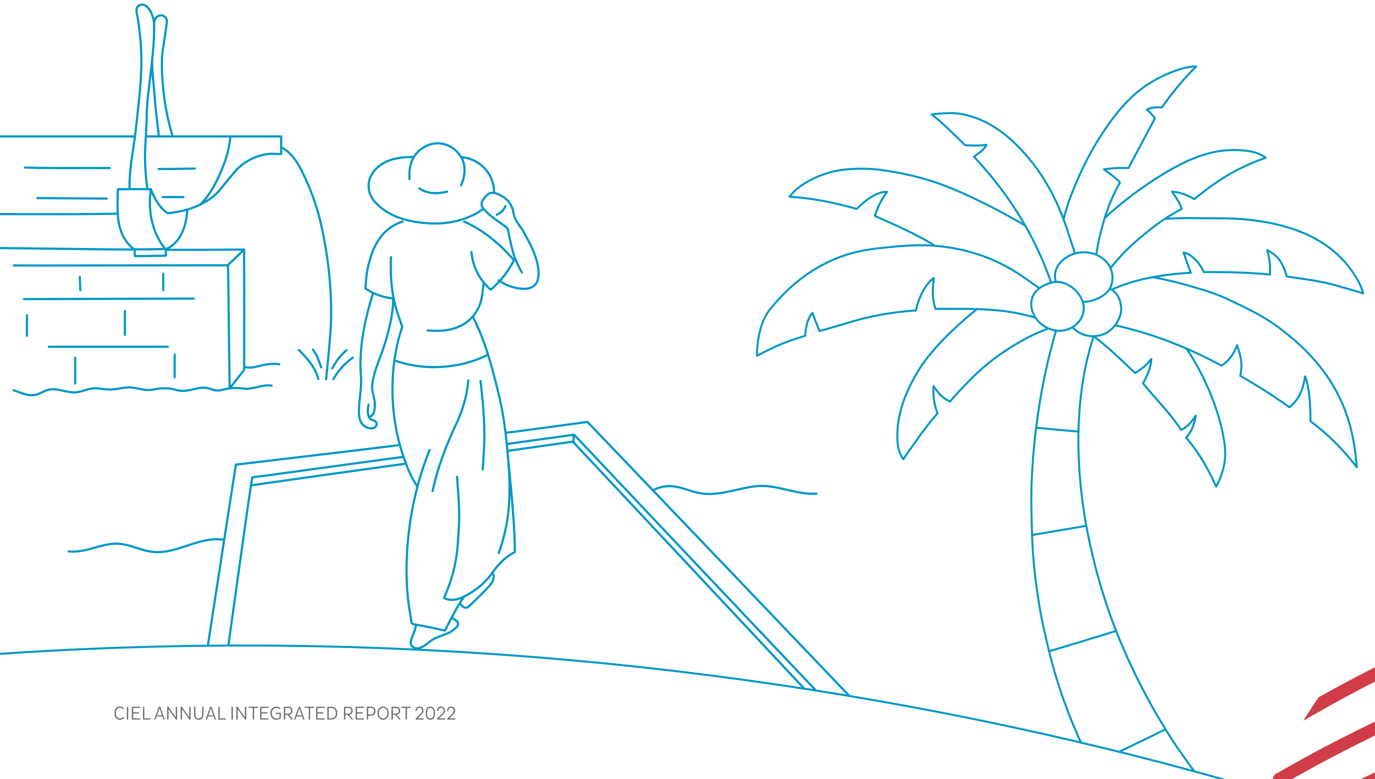
MARINE CONSERVATION

SunCARE has partnered with the University of Mauritius (UoM), as well as Western Australia and Tel Aviv universities, to educate, raise awareness, and take measurable action in regard to overfishing, pollution, acidification and other impacts on the local beaches and lagoons. This ambitious project has led to the creation of an International Marine Research Centre at La Pirogue.

CIEL HOTELS & RESORTS

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
• Relaunch of all hotels and resorts when borders open on 1 October 2021 • Repositioning and rebranding of Sun through strategic exercise and enhanced customer experiences • Continue to transform Sun into a lean, agile and highly digitalised organisation in order to implement productivity gains	• Roll-out of new Sun brand • Launch of new customer experiences • Finalisation of La Pirogue Residences property project in conjunction with CIEL Properties Development Ltd



PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
• Leverage on new concepts to generate revenues and differentiate Sun Resorts' hotels • Keep on identifying cost optimisation measures • Pursue the property development opportunities	• Finalisation of Ile aux Cerfs Master Plan • Implement the strategy to address the industry-wide issue of lack of skilled staff • Ensure significant progress on our digitalisation and sustainability road maps

IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- Attractiveness of the Mauritian destination with tough competition of other regional destinations
- Geopolitical tensions impacting key source markets

FINANCIAL
- Inflationary pressures could have impact on group performance

OPERATIONAL
- Not being able to attract and retain skilled employees

COMPLIANCE – HEALTH & SAFETY
- Non-compliance or delay in compliance to regulatory obligations or guidelines

OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES

1 2 3 4 5

CIEL PROPERTIES

CLUSTER REVENUE	EBITDA	PROFIT AFTER TAX
MUR 133M	**MUR 65M**	**MUR 137M**
2021: MUR 103M	2021: MUR 2M	2021: MUR 913M

MUR 1.8bn
ASSETS UNDER MANAGEMENT

73,000 m²
OF BUILDINGS

80
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

Guillaume Dalais
Chief Executive Officer of CIEL Properties discusses the strategy of this newly created cluster.

ESG CONTRIBUTION

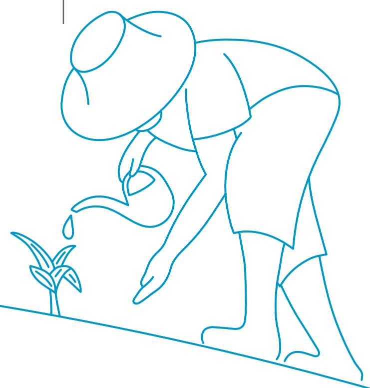
'La Nouvelle Usine' building regeneration project, including an up-cycling project in partnership with 'La Decheteque' and 'The Good Shop'.

La Vallée de Ferney Conservation Trust forest restoration program, including the expansion of its endemic and critical species nursery, and 1,200 endemic trees planted.

CIEL PROPERTIES

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
Evolis Properties Ltd	**Evolis Properties Ltd**
• The creation of Evolis Properties Ltd, a new property investment vehicle, focusing on yielding CIEL Textile non-core assets and CIEL Properties assets, was created during the year. Resulting in the creation of a new portfolio of 73,000 m² with an asset value of approximately MUR 1.3 bn, which is managed by a dedicated and professional team	• Launch of Nouvelle Usine, a 14,000 sqm building rehabilitation offering for a new working lifestyle in Floreal • Regeneration of the ex-Consolidated Fabrics Ltd building into a 25,000 m² light industrial and warehousing hub to be launched in Q1 of 2023 • Expecting 86% of occupancy on its portfolio of approx. 73,000 sqm
Ferney Ltd	**Ferney Ltd**
• Ferney Development Ltd received its Smart City Certificate in May 2022 and completed its masterplan exercise • Ferney Ltd as a lead investor in Katapult Mauritius Accelerator, hosted the program in Ferney. Thus, consolidating its strategic objective to develop the sustainable farming segment • Ferney Nature Lodge gained momentum since opening of the borders in Q2 2022, achieving higher than expected occupancies. Resulting in positioning Ferney as an eco-tourism destination	• The launch of Ferney Development project, including the launch of the sales and infrastructure • The construction launch of La Pirogue Residences • The acceleration of Ferney Eco-Tourism and Sustainable Farming Strategies



PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
CIEL Properties Development Ltd	**CIEL Properties Development Ltd**
• CIEL Properties Development Ltd, in partnership with 2Futures Ltd, launched the sales of La Pirogue Residences	• Continue sales of La Pirogue Residences • Work with other clusters in the Group on new development projects

IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- Ferney Development Ltd project launch and sales realisation

FINANCIAL
- Pre-development costs incurred for Ferney Development Ltd

OPERATIONAL
- Increasing construction and operational costs

COMPLIANCE – HEALTH & SAFETY
- Compliance to AML (Anti-Money Laundering) / CFT (Countering the Financing of Terrorism) Regulations CFT (Countering the Financing of Terrorism) regulations

OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES

1 4 5

CIEL AGRO

SHARE OF RESULTS OF ASSOCIATES	SHARE OF ASSETS
MUR 212M	**MUR 3,606M**
2021: MUR 244M	2021: MUR 3,525M

3
COUNTRIES

3
SUGAR FACTORIES

3
POWER PLANTS

5,858
EMPLOYEES

MARKET DYNAMICS AND OUTLOOK

L. J. Jérôme De Chasteauneuf
CIEL Group Finance Director and Chairman of Alteo Group discusses performance and operating context.

ESG COMMITMENTS

Alteo Milling Ltd is Bonsucro certified for its chain of production, a certification that also encompasses part of Alteo Agri's fields. Bonsucro is an international not-for-profit, multistakeholder governance group established in 2008 to promote sustainable sugar cane. Its stated aim is to reduce the environmental and social impacts of sugarcane production.

CIEL AGRO

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
Mauritius	**Mauritius**
• Mechanisation of Alteo's agricultural activities is continuing at pace • 77,000 tonnes of special sugars were produced during the year under review, an increase of 15,000 tonnes compared to FY21 • The Property cluster registered 9 serviced land plots sales and 2 sales of off-plan villas within Anahita for FY22, against 11 sales of serviced land in FY21	• Derocking of ex-manual fields and mechanisation of agricultural activities to continue • The heatwave in Europe has significantly reduced yield expectations for beet refiners and beet producers, for whom processing costs remain at unprecedented high levels due to the high cost of energy. These costs are pushing prices up and should keep them at these levels for FY23 • The final commercial phase of Anahita will be launched during FY23 • The Property cluster's most important project for the coming years will be Anahita Beau Champ, the smart city project adjoining the Anahita Integrated Resort Scheme
Kenya	**Kenya**
• Constant factory improvements have increased reliability and output, with less downtime • Increased sugar produced and sold drove up revenue and EBITDA • Operational profits from a loss-making position in the prior years	• Diversification of revenue streams, investment in a briquetting plant • Improvement in factory performance will further enhance profit

PERFORMANCE & STRATEGY

Progress Report for FY22	Priorities for FY23
Tanzania	**Tanzania**
• Higher cane and sugar tonnage as well as a more attractive average price drove up revenue • Favourable FX movements against the Mauritian rupee also compounded the improvement in operational and bottom-line results • Business also had to contend with a large rise in operating costs, especially so for field activities	• Continuation of various agricultural development projects • Anticipated cost pressure on inputs • Early signs of a new record crop following last year's excellent operational results

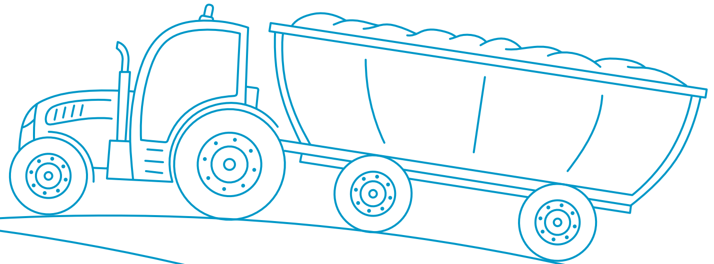
IDENTIFIED RISKS AND MITIGATION

STRATEGIC
- Global sugar market conditions and sugar price volatility affecting performance
- Unfavourable government policy decisions (market and industry regulation)

FINANCIAL
- Foreign exchange risk

OPERATIONAL
- Cost pressures impacting the sugar cluster's performance as a going concern
- Underutilisation of milling capacities, in Mauritius, due to reduced supply of cane

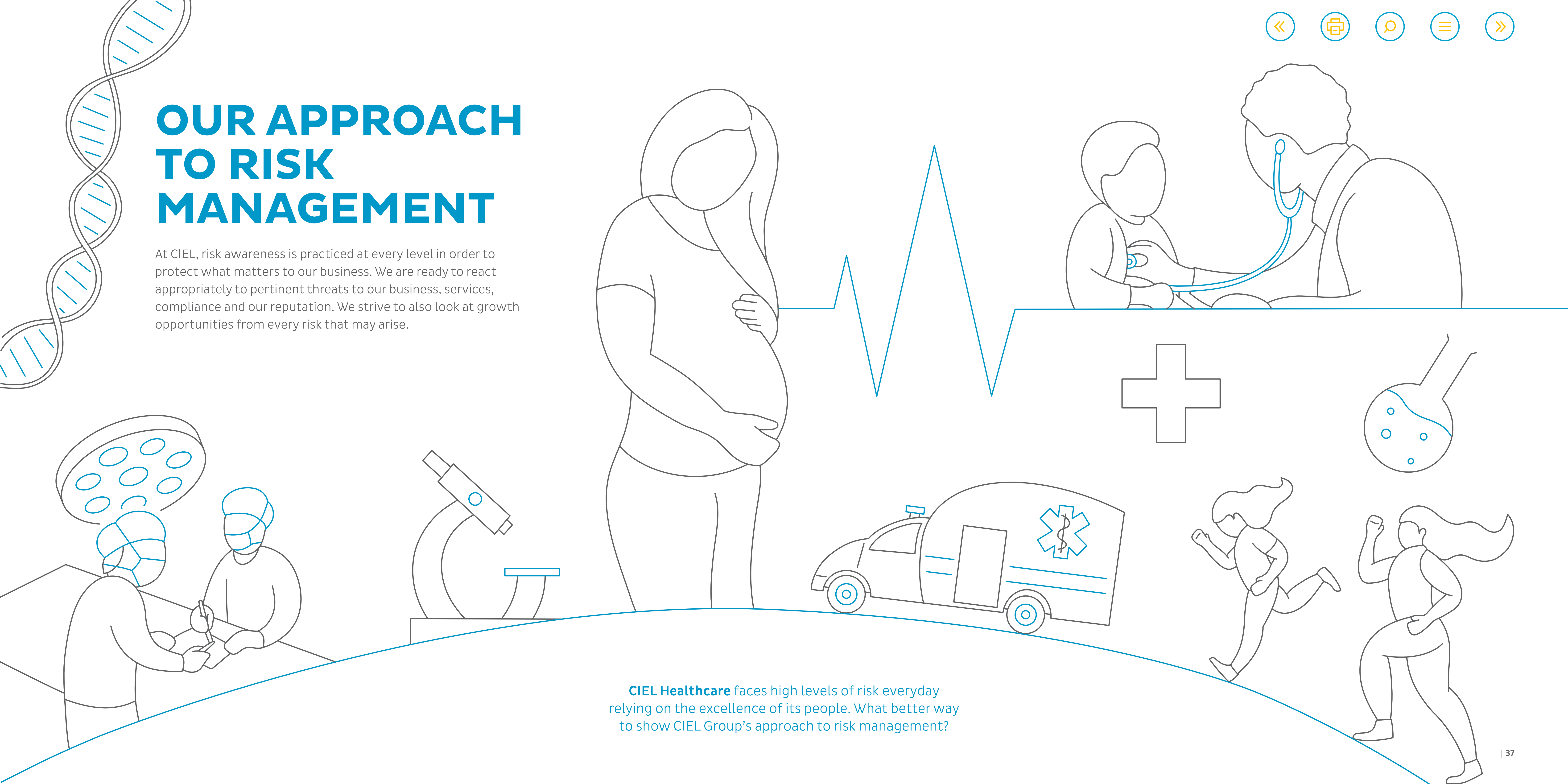
COMPLIANCE – HEALTH & SAFETY
- Compliance with safety regulations and labour/environmental laws and regulations



OUR ASSOCIATED GROUP PRINCIPAL RISKS SHOW HOW WE MANAGE RISKS AND FIND OPPORTUNITIES 1 4

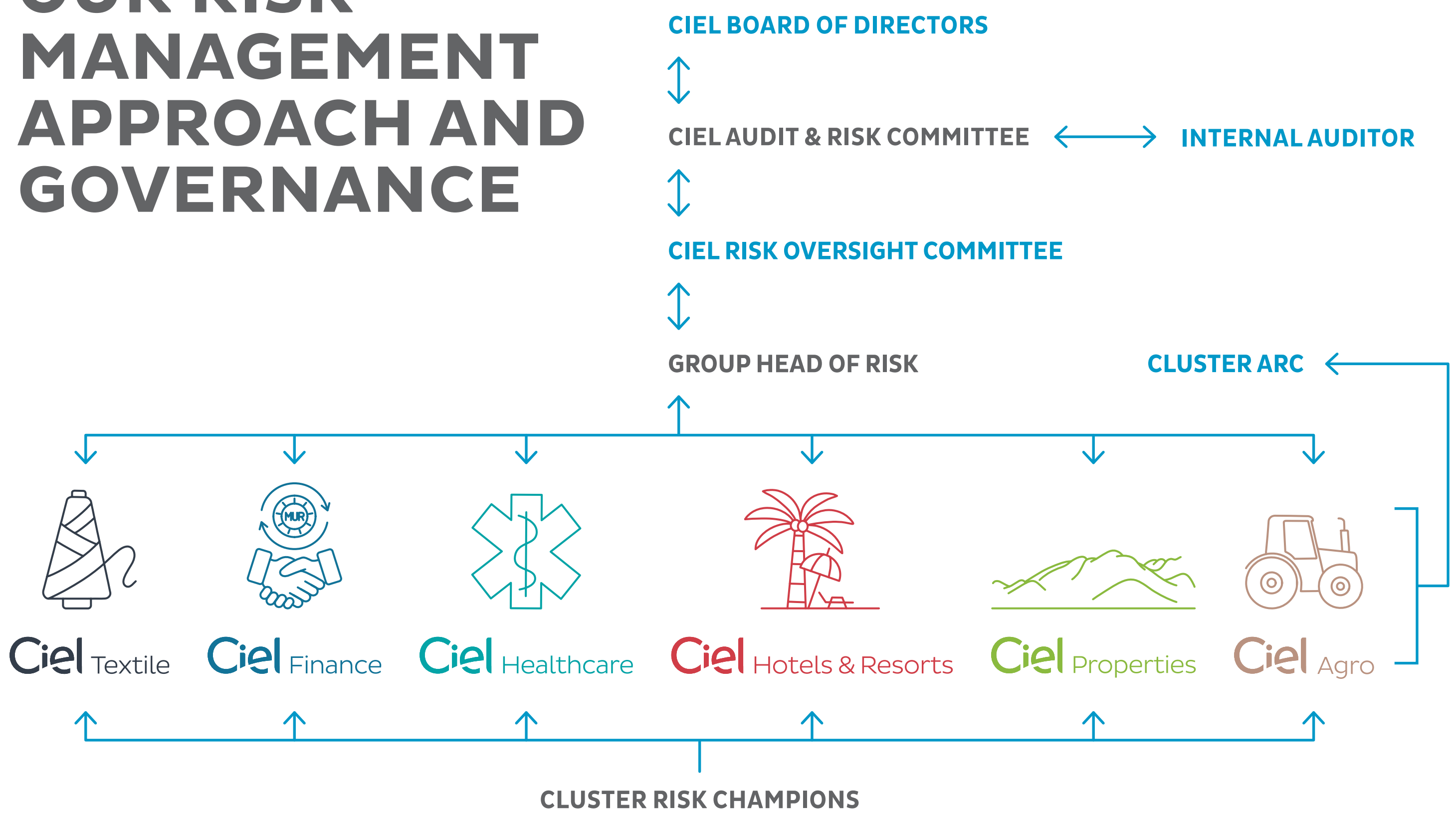
OUR APPROACH TO RISK MANAGEMENT

At CIEL, risk awareness is practiced at every level in order to protect what matters to our business. We are ready to react appropriately to pertinent threats to our business, services, compliance and our reputation. We strive to also look at growth opportunities from every risk that may arise.



CIEL Healthcare faces high levels of risk everyday relying on the excellence of its people. What better way to show CIEL Group's approach to risk management?

OUR RISK MANAGEMENT APPROACH AND GOVERNANCE



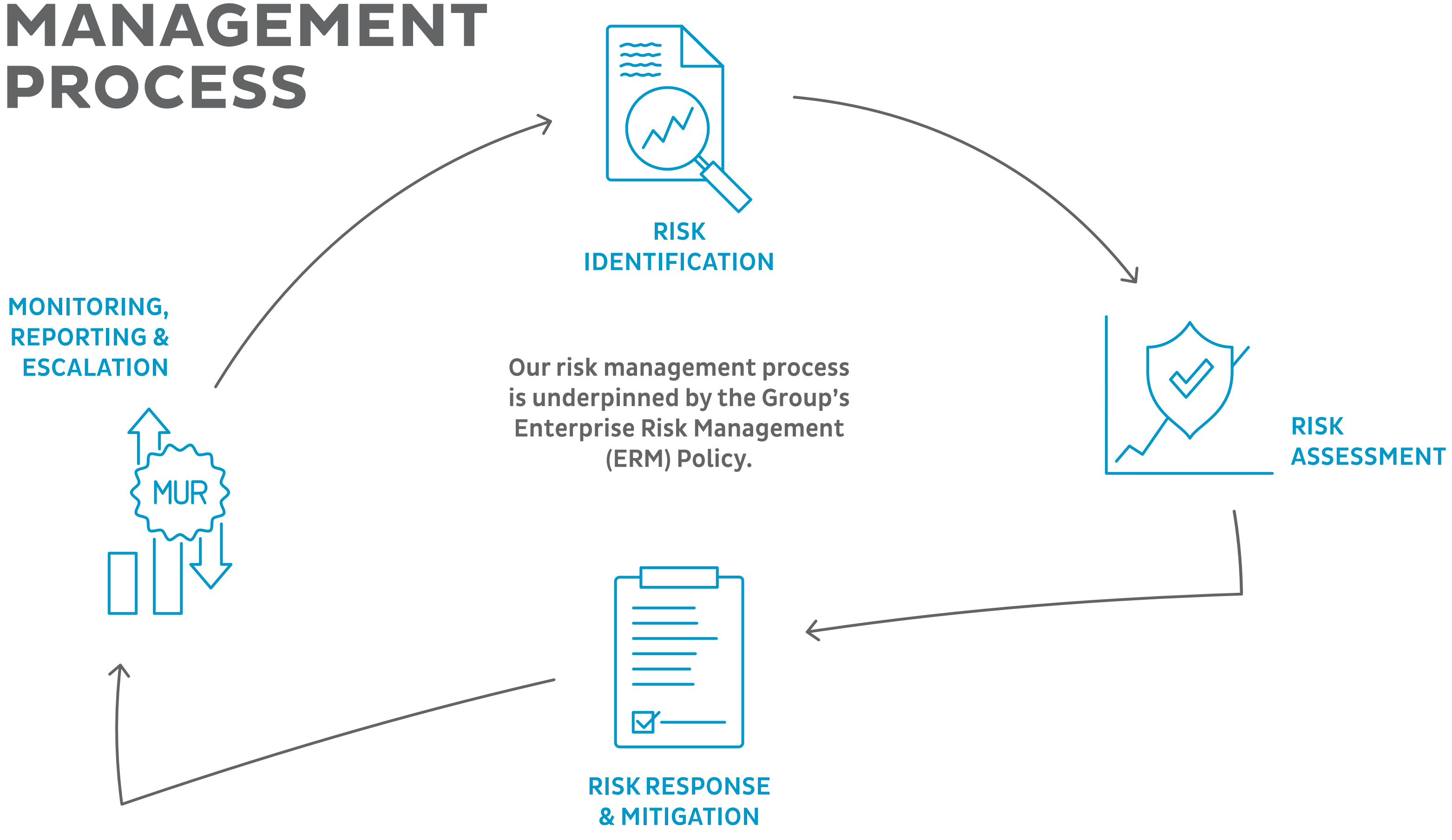
Managing risks and uncertainty is integral to the successful delivery of our strategic objectives and supports our desire to grow sustainable and resilient businesses.

Our business model has demonstrated significant resilience over the past year, underpinned by geographical and product mix diversification, strict cost-control measures, business and operational agility and an efficient management of risks at all levels. As global uncertainty surged amidst the COVID-19 pandemic and the Russia/Ukraine conflict, it is through a structured approach that we are able to proactively respond to, mitigate and manage risks as well as embrace opportunities as they arise.

At CIEL, we identify, assess and manage risks using a group-wide top-down and bottom-up approach. The Board sets the risk appetite statement for CIEL in line with the Group's strategic objectives, which is disseminated to our Clusters. The Audit and Risk Committee ("ARC") under delegated authority from the Board, oversees the effectiveness of the risk management framework, including the identification of key and emerging risks CIEL faces. To support the ARC in this responsibility, underlying processes are in place, which are fully aligned with CIEL's operating model where our Clusters are each responsible to identify, assess and manage their risks autonomously, and key functions are accountable at Group level for the ongoing tracking of identified key risks as well as changes in CIEL's business landscape. The ARC also receives assurance from the Internal Auditor on risk management and internal control effectiveness, along with agreed mitigating actions to resolve any weaknesses identified.

CIEL's risk governance structure is based on the three lines of defence model and is illustrated on the next page, together with the associated lines of communication. Our risk management activities and responsibilities are detailed in the subsequent sections.

OUR RISK MANAGEMENT PROCESS



Risk identification and assessment are an integral part of CIEL's risk management process and are carried out annually. A comprehensive review of the Clusters' risk registers is performed, from which a list of the key risks faced by the Group is drawn up that considers:

(a) the top risks which repeat across at least 3 Clusters and merit elevation to Group level by virtue of their systemic nature;

(b) non-systemic risks which, based on materiality of the related Cluster or activity within the Group, merit elevation to Group level; and

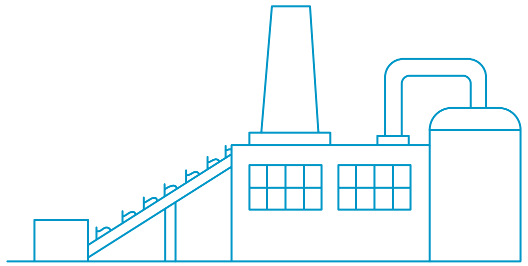
(c) risks identified based on emerging trends.

Input is obtained from Group Executives and members of the ARC and ROC through a series of one-to-one interviews and workshops to produce the Group Risk Register. The likelihood of occurrence and potential impact of each risk are determined at both inherent and residual levels, the latter being arrived at after assessing the effectiveness of existing controls. The output from this process is consolidated to determine the top risks for the Group.

The top 5 risks ("Principal Risks") which have been identified at Group level through the risk assessment process carried out during the year are detailed on pages 41-43.

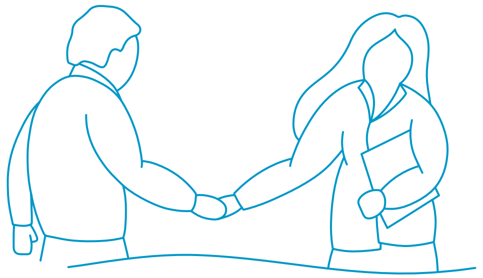
ENHANCING OUR RISK MANAGEMENT MATURITY LEVEL

We spared no efforts in reinforcing our risk management framework during the year with concrete actions taken on various fronts:



PROCESS

- Standard scoring methodology to ensure consistency in risk evaluation and reporting across all clusters
- Assessment and reporting of risks at inherent and residual levels, including standard methodology for assessing control effectiveness
- Tools and templates devised to standardise risk reporting across all clusters
- Defined methodology to identify and monitor risks which are systemic and material to the Group
- Participation of key Group functions in risk identification and assessment process
- Formalised incident reporting process at Group functional levels (e.g Cyber, ESG, data breach, litigation)



GOVERNANCE

- Appointment of a Group Head of Risk, who is in charge of all risk related activities
- Communication of Group Risk Appetite Statement and Risk Policies to Cluster Risk Champions
- Permanent communication line between the Group Head of Risk and Cluster Risk Champions on risk matters and material incidents
- Structured quarterly meetings between the Group Head of Risk and Cluster Risk Champions to discuss material risk variations
- Revamped CIEL Risk Oversight Committee with better accountability from key Group functions in the risk management process

PEOPLE

- Clear articulation of the Group Risk function's roles and responsbilities
- Regular risk awareness sessions with Cluster Risk Champions
- Regular interactions between Group Head of Risk and Cluster Risk Champions to assist with the design and operation of cluster risk functions

MONITORING RISK THROUGHOUT THE GROUP

Our risk management process is embedded across all the Clusters and operations. Each cluster is responsible for identifying, assessing and managing its risks autonomously, guided by the Group Risk Appetite Statement and the Group Enterprise Risk Management (ERM) Policy and framework.

CIEL selects and consolidates its risks from the risks identified at cluster level which merit elevation as previously explained. Key functions are accountable at Group and cluster levels for the ongoing tracking of identified key risks and changes in CIEL's business landscape.

CIEL BOARD

- Sets Group Risk Appetite Statement in line with strategic objectives
- Approves Group ERM Policy & Framework

CIEL ARC

- Reviews adequacy of Group Risk Management & Internal Control Systems
- Validates Group Risk Register & Heatmap
- Reports material incidents & risk variations to Board
- Obtains assurance from Internal Audit on internal control effectiveness and monitors remediation plans

CIEL ROC

- Comprised of CIEL Executives & Head of Risk
- Reviews Group Risk Register & Heatmap before ARC submission
- Reports material incidents & risk variations to ARC
- Monitors functional Risk Mitigation Plans
- Disseminates CIEL risk culture across key cluster functions

GROUP HEAD OF RISK

- Ensures operationalisation of Group's ERM Policy & Framework
- Builds & maintains Group Risk Register & Heatmap
- Reports material incidents & risk variations
- Monitors risk mitigation plans
- Devise templates for risk assessment & reporting
- Disseminates risk culture and risk awareness to cluster risk champions

CLUSTER RISK CHAMPIONS

- Cluster Risk Appetite Statement
- Cluster ERM Policy & Manual
- Cluster Risk Register & Heatmap
- Quarterly Cluster Risk Reports
- Material risk variations
- Material Incident reports

OUR RISK PROFILE

Our top 5 risks ("Principal Risks") together with the corresponding risk mitigating controls in place detailed on pages 80-85, have been identified through the risk assessment activities carried out during the year in accordance with the methodology previously outlined.

As is the case for other organisations in Mauritius and worldwide, CIEL continues to be vulnerable to external factors such as inflation, commodity price and exchange rate volatility, global supply chain disruptions, exacerbated by the COVID-19 pandemic and the Russia/Ukraine conflict. By virtue of our international presence, our performance is also highly dependent on the economic, social and political climate in the countries where we operate.

In an era of remote working and accelerated use of digital tools, cybercrime has increased significantly worldwide amidst the pandemic and the Russia/Ukraine conflict. As one of the leading groups in Mauritius with operations in sensitive sectors such as healthcare, banking and financial services, building cyber resilience is key to minimise operational disruptions, financial losses and reputational damage that may result from cyber-attacks.

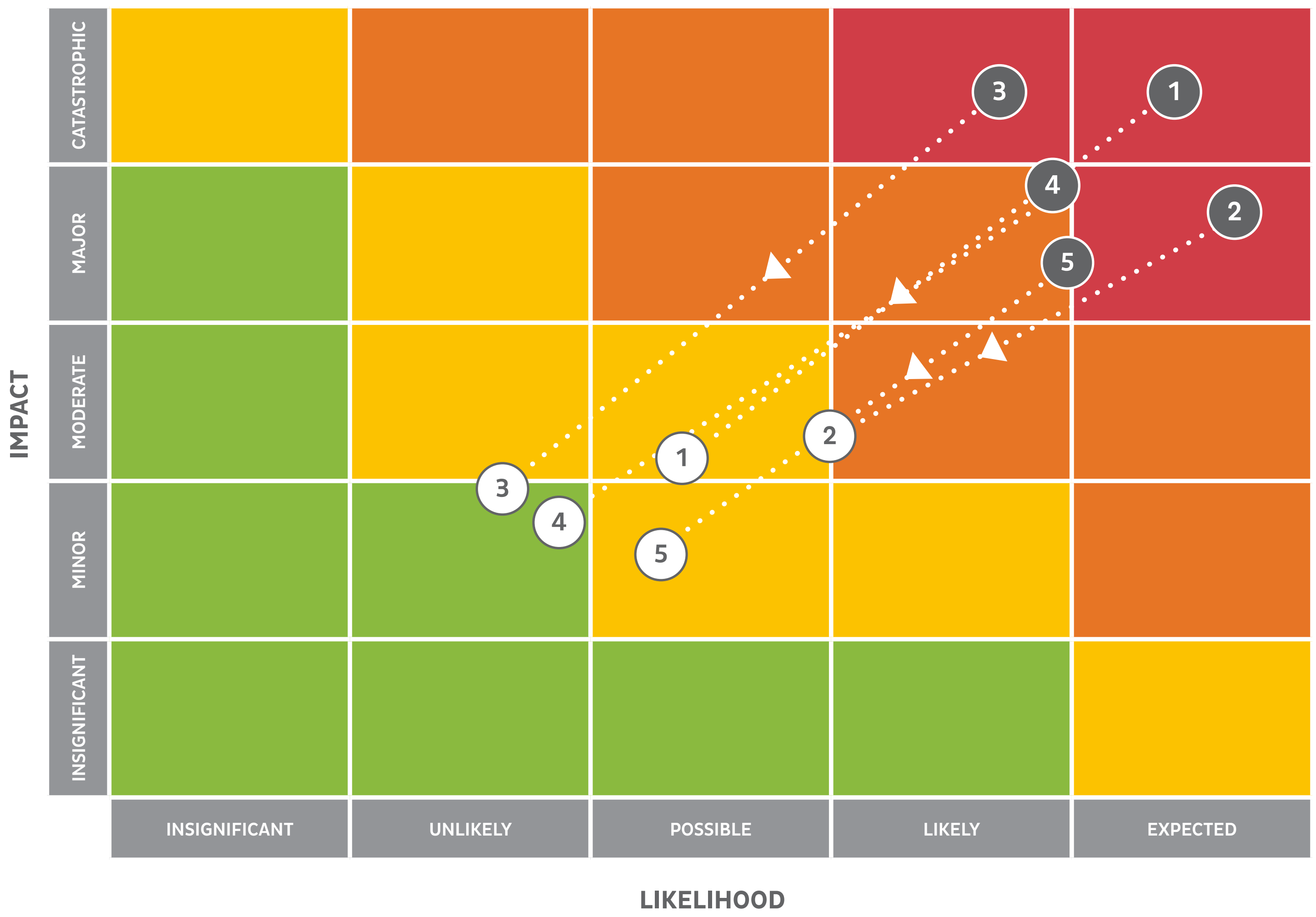
Attracting and retaining the right talent has also emerged as one of the biggest challenges of organisations worldwide, particularly following massive attrition observed across several industries in the wake of the pandemic. The Group was faced with recruitment challenges, mainly in the Healthcare and Hospitality clusters due to shortages of qualified resources.

Climate change remains amongst our top 10 risks, being a widely acknowledged global emergency and a key priority for governments, businesses, and citizens around the world. Consideration of climate change and more generally Environmental, Social and Governance (ESG) risks forms part of our existing risk management processes, driven by our Sustainability Strategy 2020-2030.

The challenges brought by the pandemic, which is undoubtedly one of the most significant crisises of our times, have driven us to further strengthen our crisis mitigation plans and forge a culture of preparedness across all our operations. In today's volatile world, our commitment is to move from a defensive risk management to a forward-looking stance based on strategic resilience, with risk management being fully embedded in major business decisions and initiatives.

RISK HEAT MAP

The following heat map shows CIEL's Principal Risks as they evolve from an inherent to a residual level after application of mitigating controls in place.



1 External Shocks 2 Cyber Threat 3 Talent Retention & Recruitment 4 Compliance 5 Competition Threat

Inherent level Residual level

RISK LEVEL	MANAGEMENT APPROACH
EXTREME	PROACTIVELY MANAGED
HIGH	ACTIVE ATTENTION & PREPARATION
MEDIUM	CONTINUOUS MONITORING
LOW	PERIODIC ASSESSMENT

PRINCIPAL RISKS EXPLAINED

RISK CATEGORY

OPERATIONAL RISKS | FINANCIAL RISKS | STRATEGIC RISKS | COMPLIANCE RISKS

CAPITAL AFFECTED

FINANCIAL CAPITAL | SOCIAL & RELATIONSHIP CAPITAL | HUMAN CAPITAL | MANUFACTURED CAPITAL | INTELLECTUAL CAPITAL | NATURAL CAPITAL

PRINCIPAL RISK	DESCRIPTION	INHERENT RISK	CONTRIBUTING FACTORS	CAPITALS IMPACTED	CLUSTERS IMPACTED	HOW WE MANAGE THE RISK?	RESIDUAL RISK
1 EXTERNAL SHOCKS	The risk that CIEL Group is unable to sustain growth due to external shocks in the economies where it operates. Or where material revenues are coming from, resulting in missed performance targets and shareholder dissatisfaction.	EXTREME LOW	• COVID-19 pandemic • Russia/Ukraine conflict • Rising costs and inflation • Looming recession in major economies • Foreign exchange volatility • Interest rate volatility • Global supply chain disruptions • Commodity price volatility • Moody's Investors Service's rating for Mauritius downgraded to "Baa3" • Political instability & social unrest in the countries where CIEL operates • Trade and political tensions between US and China **Opportunities:** • Textile: With the current trade war between US and China, several high value brands are re-directing their orders to India • Agro: World sugar price hike amidst Russia/ Ukraine conflict gives early indications of good performance for next crop season and next year's results			• Cost mitigation measures across all operations • Rationalisation of suppliers • Managing relationship with critical suppliers • Alternative sourcing options • Close monitoring of forex fluctuations with hedging strategies • Close monitoring of geopolitical situation in the countries where CIEL operates • Regular scenario/what if analysis in management and Board discussions **Extent to which risk is mitigated: Medium**	EXTREME LOW
2 CYBER THREAT	The risk that CIEL Group is exposed to cyber attacks, resulting in disruptions to activities, financial losses and client dissatisfaction.	EXTREME LOW	• Increase in cyber-attacks following the pandemic and the Russia/Ukraine conflict • Increasing dependency of CIEL on technology as it continues to be infused in day-to-day operations			• Preventive, detective and responsive cybersecurity measures implemented across all operations, although with different maturity levels • Groupwide roadmap and KPIs defined to level up security capabilities across all operations • Annual audits on robustness of cybersecurity framework across critical operations • Ongoing staff awareness sessions **Extent to which risk is mitigated: Low**	EXTREME LOW

PRINCIPAL RISKS EXPLAINED

RISK CATEGORY

OPERATIONAL RISKS | FINANCIAL RISKS | STRATEGIC RISKS | COMPLIANCE RISKS

CAPITAL AFFECTED

FINANCIAL CAPITAL | SOCIAL & RELATIONSHIP CAPITAL | HUMAN CAPITAL | MANUFACTURED CAPITAL | INTELLECTUAL CAPITAL | NATURAL CAPITAL

PRINCIPAL RISK	DESCRIPTION	INHERENT RISK	CONTRIBUTING FACTORS	CAPITALS IMPACTED	CLUSTERS IMPACTED	HOW WE MANAGE THE RISK?	RESIDUAL RISK
3 **TALENT RETENTION & RECRUITMENT**	The risk that CIEL Group is unable to recruit, develop and retain talent to instill appropriate behaviours and service levels, resulting in client dissatisfaction, disruption in operations and significant costs and efforts associated with replacing departed staff and training new staff.	EXTREME LOW	• Change of mindset amongst working population post COVID-19 pandemic (e.g. The Great Attrition), with certain sectors experiencing above-average attrition (e.g. hospitality, healthcare) • Poaching of competent resources by competitors • Lack of qualified or trained resources in Mauritius (e.g. nurses, doctors) and in other countries where we operate • Limited staff mobility opportunities across the Group. **Opportunities:** • Intra cluster and intra Group mobility for support functions			• Succession plan across clusters and operations • Strong employee retention and employee value proposition strategies across all clusters and operations (e.g. employee engagement surveys, recognition and reward schemes, professional development schemes, employee wellness and welfare programmes, flexible hours) • Managing trade union relationships closely • Expatriate recruitment where expertise not available locally **Extent to which risk is mitigated: High**	EXTREME LOW
4 **COMPLIANCE**	The risk that CIEL Group is unable to manage the ever-evolving regulatory and compliance requirements, resulting in fines, revocation of relevant licences and reputational damage.	EXTREME LOW	• Recent wave of AML/CFT related regulations affecting particularly Finance and Property clusters • Coming wave of ESG related regulations • Data privacy compliance regarding sensitive information • Entities of CIEL Group operate in multiple jurisdictions and/or sectors with different regulatory frameworks			• Strong compliance culture embedded across the Group • Zero tolerance to non-compliance • Dedicated compliance experts at Group, cluster and BU levels • Regular monitoring (second line of defence) and compliance audits (third line of defence) • Regulatory watch to keep track of regulatory changes **Extent to which risk is mitigated: Medium**	EXTREME LOW

PRINCIPAL RISKS EXPLAINED

RISK CATEGORY

OPERATIONAL RISKS
FINANCIAL RISKS
STRATEGIC RISKS
COMPLIANCE RISKS

CAPITAL AFFECTED

FINANCIAL CAPITAL
SOCIAL & RELATIONSHIP CAPITAL
HUMAN CAPITAL
MANUFACTURED CAPITAL
INTELLECTUAL CAPITAL
NATURAL CAPITAL

PRINCIPAL RISK	DESCRIPTION	INHERENT RISK	CONTRIBUTING FACTORS	CAPITALS IMPACTED	OPPORTUNITIES	HOW WE MANAGE THE RISK?	RESIDUAL RISK
5 COMPETITION THREAT	The risk that CIEL Group does not anticipate and respond to competitive threats or new entrants, affecting its ability to maintain and grow its market share.	EXTREME LOW	• Risk of disruption from more innovative products/organisations with enhanced customer experience • Threats of new entrants in the sectors where we operate (e.g. Healthcare) • Highly competitive markets in the sectors where we operate (e.g. Textile, Finance, Hospitality) **Opportunities:** • Disruptive technologies such as blockchain and artificial intelligence • Mauritius well positioned as a financial hub between Asia and Africa • Pan African Healthcare strategy • Yielding of Group land assets • Agritech • Blue economy			• Strategic discussions at management and board levels to analyse customer/market trends and competition • Product innovation • Developing unique value propositions)e.g. Smart city eco development project) • Impact investing (e.g. Katapult Mauritius Accelerator program on regenerative food and AgriTech for regional and international start-ups targeting African markets) • Enhancing brand value **Extent to which risk is mitigated: Medium**	EXTREME LOW

FOCUSSING ON A SUSTAINABLE FUTURE

CIEL continues its entrepreneurial journey with an increasing emphasis on far reaching sustainability initiatives encouraged from the top down. We are accelerating efforts in reducing carbon emissions, improving working conditions and overseeing our natural resources.

Ferney, a **CIEL Properties** development, will leave a living testimony to CIEL's commitment to sustainability for future generations.

FOR A WORLD WE CAN ALL FEEL PROUD OF

OUR SUSTAINABILITY APPROACH

The CIEL sustainability strategy 2020-2030, hinges on three key pillars (see diagram), and is at the heart of the Group's commitment to seek new avenues for long-term value creation for all stakeholders.

As evidenced by the pandemic, the economic context marked by supply chain challenges and inflationary pressures, there is a need to partner and work together as businesses, consumers, governments and communities to deliver meaningful results.

The Group is pro-actively developing baselines and pathways to achieve its goals, whilst ensuring responsible governance and embedding sustainability across operations. The diagram below further illustrates what makes the Group's approach unique.

WHAT MAKES US DIFFERENT?

An evidenced-based approach

Science-Based Targets Initiative

Go Beyond Gender initiative

Focus on continuous improvement

Alignment of clusters

Benchmarking to relevant industry standards

Creating a sustainability and innovation culture

Innovation awards

Training academies

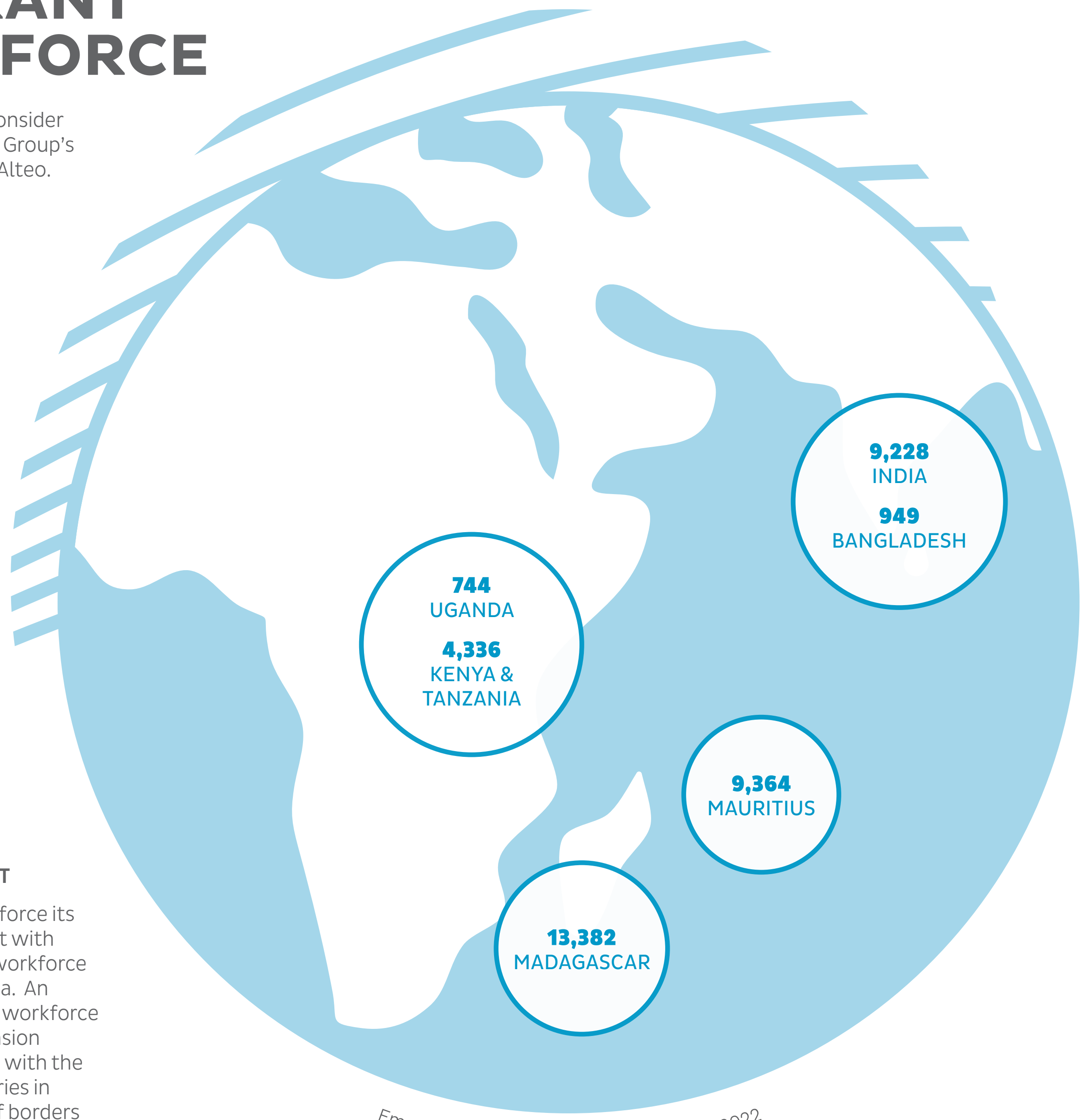
A distinctive conservation and regeneration narrative

Ferney projects

Regeneration of buildings

FOSTER A VIBRANT WORKFORCE

Under this pillar, we consider our talents across the Group's operations, including Alteo.

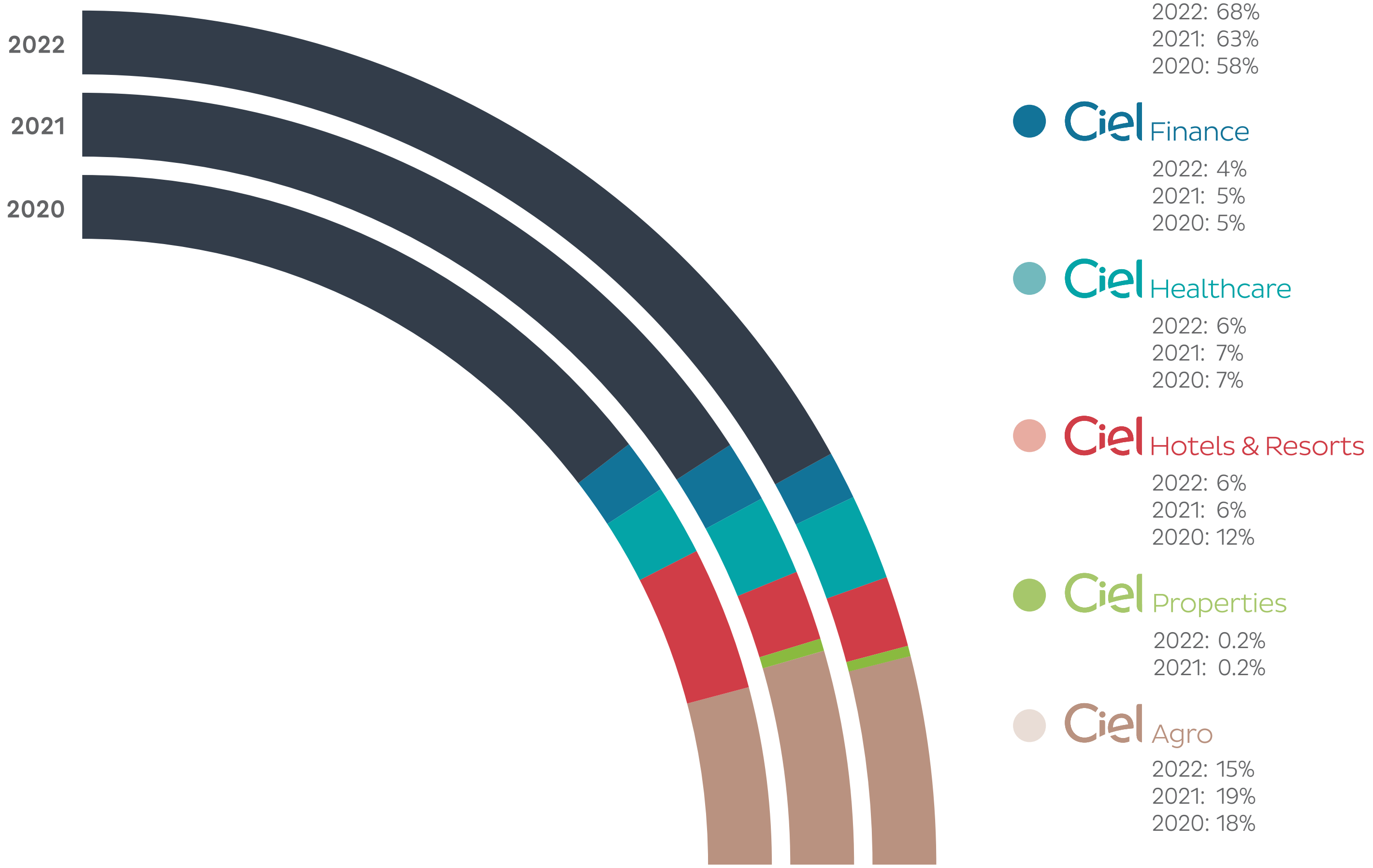


Employees by Country (Main Operations) 2022

WORK ENVIRONMENT

CIEL continues to reinforce its international footprint with more than 75% of its workforce based in Asia and Africa. An increase of 21% of the workforce due to business expansion mainly for CIEL Textile with the opening of new factories in India and reopening of borders positively impacting on our Hotel business.

% of employees per cluster



38,000+ TOTAL EMPLOYEES

+21% SINCE 2021

37 YEARS average employee age

6 YEARS average years of service

50% EMPLOYEES live less than 15km from work

FOSTER A VIBRANT WORKFORCE

GRIEVANCES
CIEL remains commited to creating a trustful and transparent working environment with nearly 100% of grievances solved within defined timelines.

99%

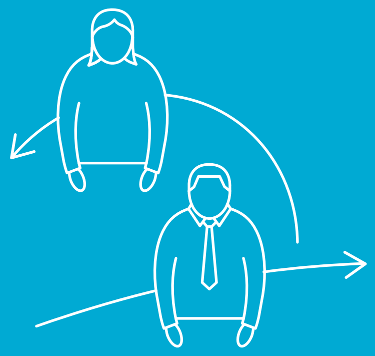
OF GRIEVANCES RESOLVED IN FY 2022

27%

INCREASE OF EMPLOYEES WITH DISABILITIES SINCE 2021

As part of its commitment to create a diverse and inclusive workforce, more employees with disabilities have been onboarded in our operations through a strong collaboration with our NGOs.

As a next step, CIEL Group will define specific targets on disability as part of its overall sustainability strategy.



EMPLOYEE MOBILITY

True to its values, People at Heart, CIEL believes in growing talent internally with more than 1000 internal appointments within the last financial year.

Total number of internal appointments (transfers and internal promotions)

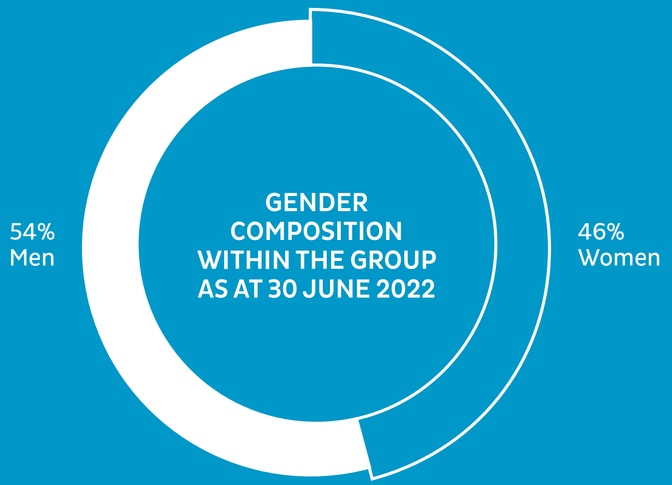
2021
675

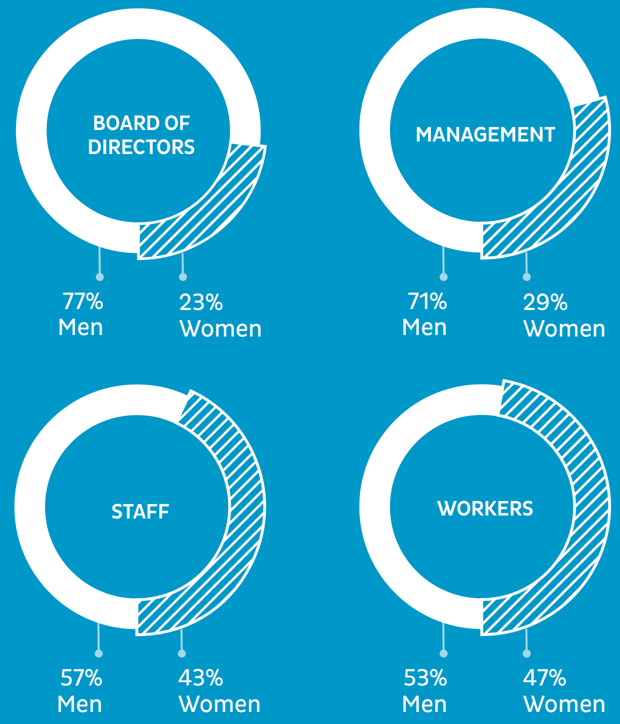
2022
1,146

70%

GENDER BALANCE

Gender composition within the Group as at 30 June 2022.





Disclaimer: The Board of Directors exclude CIEL Agro cluster. Management refers to CEO (L), Executives and Heads of Department (L-1). Staff refers to all employees excluding top mananagement (CEO (L), Executives and Heads of Department (L-1)) and manual workers/operatives. Workers refers to manual workers (e.g. factory workers, messengers, gardeners, housekeeper, field workers,. Etc.)

GO BEYOND GENDER INITIATIVES

The Go Beyond Gender initiative focussed on two projects during the last financial year, namely a qualitive and quantitative diagnosis which led to a Group action plan and development of a tailor-made training for all team leaders.

GROUP ACTION PLAN

ESTABLISH PAY PARITY BY 2025

- Assess the renumeration gap in each cluster and devise action plan to achieve parity

ENHANCE LEARNING & DEVELOPMENT BY 2025

- Set a recruitment policy of internal 'women' recruitment first
- Train +100 women from management level

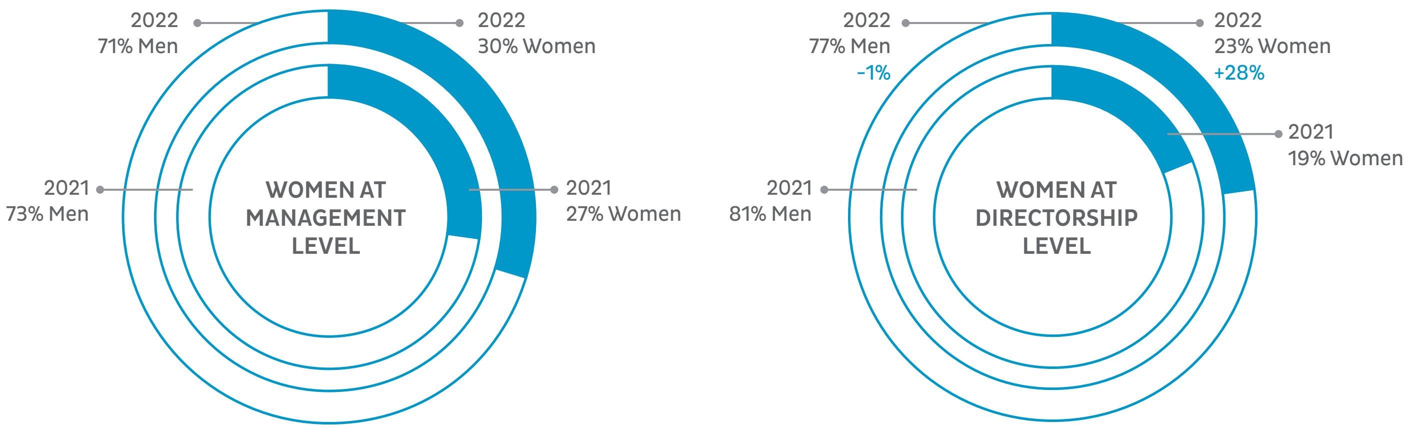
CREATE A GENDER FRIENDLY ENVIRONMENT BY 2023

- Adapt the work model for enhanced flexibility
- Cater for a dedicated space for pregnant women and women who have recently given birth
- Develop gender-friendly policies and procedures

WOMEN AT MANAGEMENT LEVEL

CIEL is progressing positively on its Go Beyond Gender initiative to promote talented women at top management.
The percentage of women in top management roles increased from 27% to 30%.

Women at Management Level	2020	2021	2022	Variance in % points
Ciel Textile	21%	24%	28%	+3.5
Ciel Finance	29%	29%	31%	+1.8
Ciel Healthcare	35%	39%	45%	+5.6
Ciel Hotels & Resorts	29%	31%	32%	+1.6
Ciel Properties	-	38%	25%	-12.5
Ciel Agro	11%	13%	13%	0



Disclaimer: % of Women at management level in 2021 restated for CIEL Hotels & Resorts and CIEL Agro clusters. Management level refers to CEO (L), Executives and Heads of Department (L-1). Directorship level refers to members of directors, including independent directors. The figures for Directorship Level exclude CIEL Agro cluster

PAY GAP PARITY

As part of the quantitative research a pay gap analysis was conducted and the Group remains commited to establish pay parity by 2025.

29% EXECUTIVE

12% MANAGEMENT

5% SUPERVISORY / PROFESSIONAL

0% ADMINISTRATIVE / OPERATIONAL

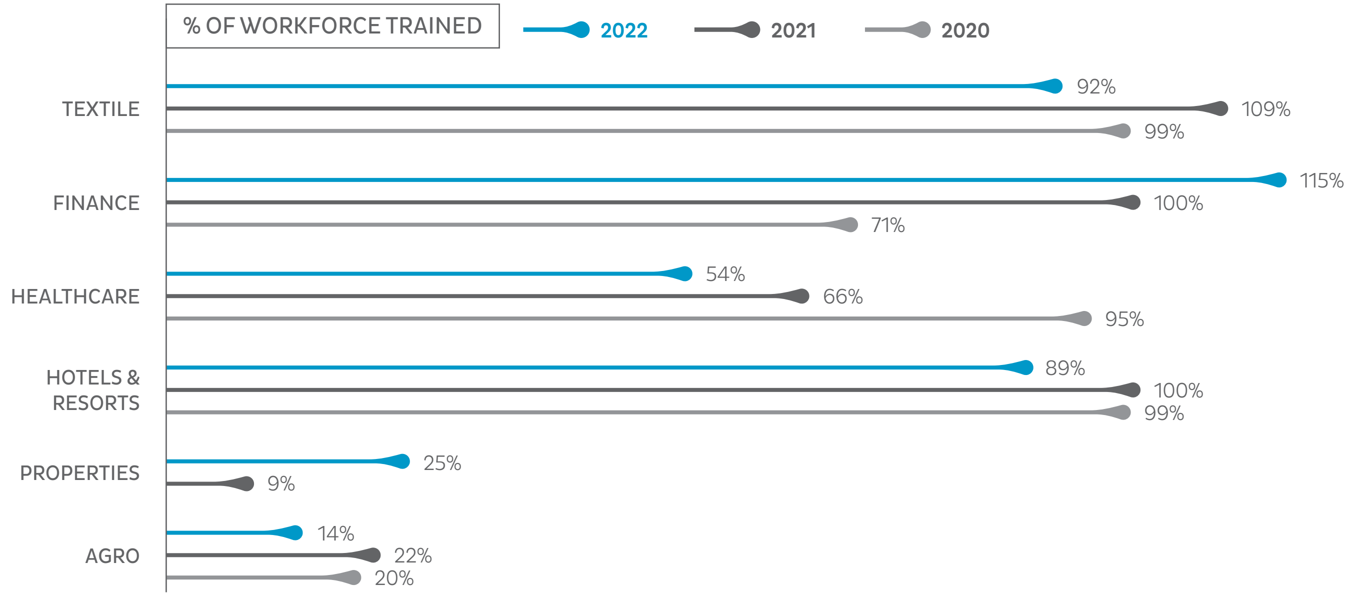
Disclaimer: The figures exclude CIEL Agro Cluster. Executive refers to Senior Managers and Heads of Departments. Management refers to experienced Managers and Specialists. Supervisory/Professional refers to academically qualified professionals, with good knowledge of procedures and concepts within own technical/subject area. Administrative / Operational refers to clerical staff and academically qualified, skilled or technical aptitudes.

LEARNING & DEVELOPMENT

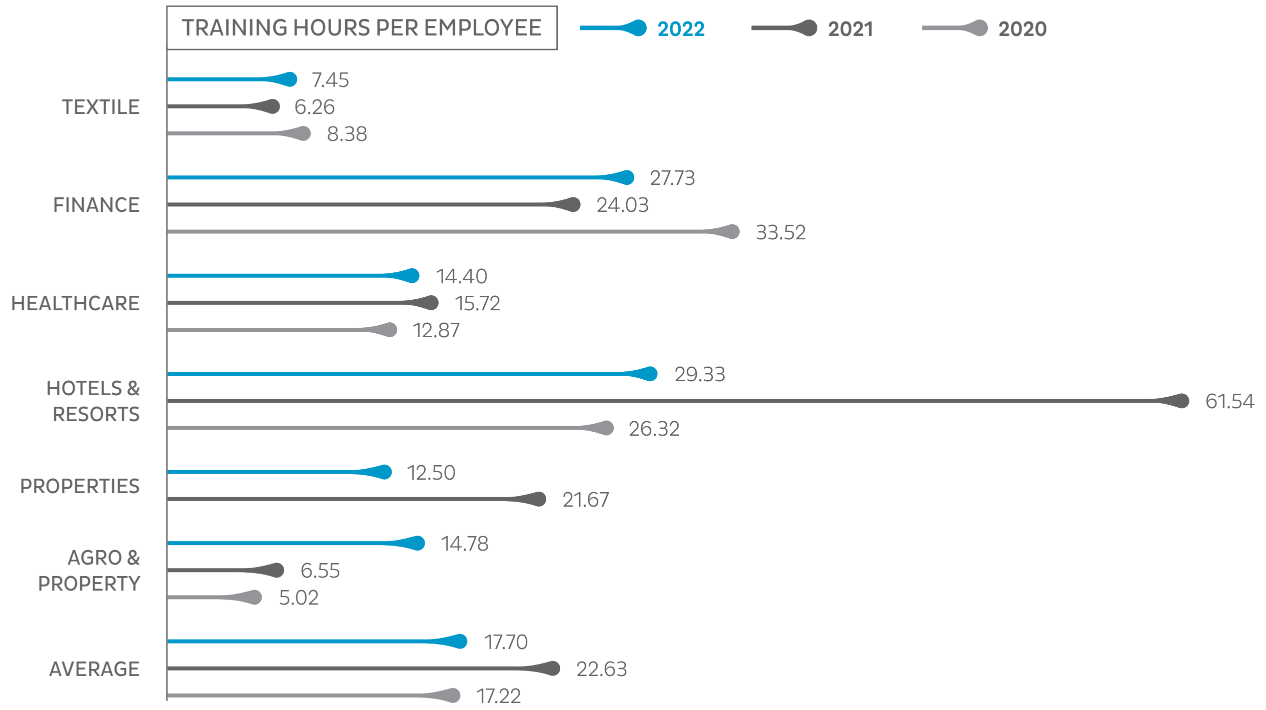
Investment in workforce training and development has reduced (except for Finance and Properties clusters) compared to the previous financial year which remained an exceptional one whereby some clusters took the opportunity to further train their workforce during lockdown periods.

37,398HRS
LEADERSHIP TRAINING

181,758HRS
TECHNICAL TRAINING

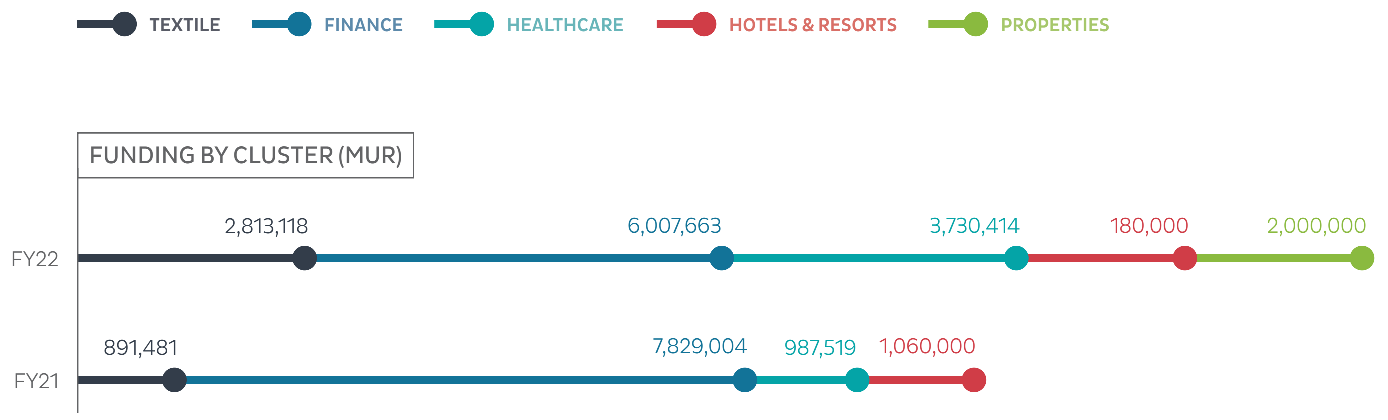


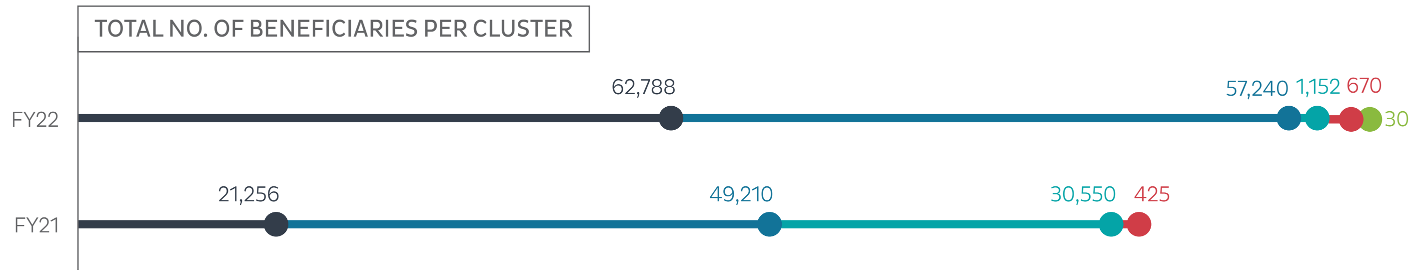
Percentages over 100 are indicative of staff attrition, i.e. the number of employees being trained during FY22 exceeds the total workforce at year-end



CHAMPION INCLUSIVE GROWTH

COMMUNITY EMPOWERMENT – CSR BY CLUSTERS



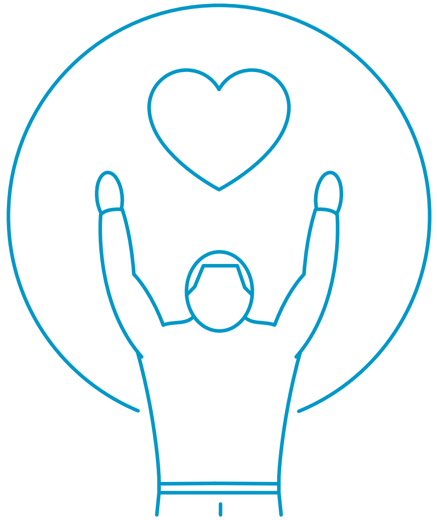


COMMUNITY EMPOWERMENT – CSR BY CLUSTERS

CSR funding at cluster level has increased by 52% as compared to 2021, with a strong focus on the Health pillar.

All clusters are fully engaged in long-term actions, representing over MUR 14m or 88% of total funds. In line with the Group's strategy to support the most disadvantaged in meeting their basic needs, a strong focus was placed on health-related actions (76% of total funding) and to share knowledge with our stakeholders through capacity-building and literacy projects (16% of total funding).

Clusters have also supplemented these investments with "in-kind" contributions notably in the Healthcare cluster to support blood tests for beneficiaries from partner NGOs.



+120,000

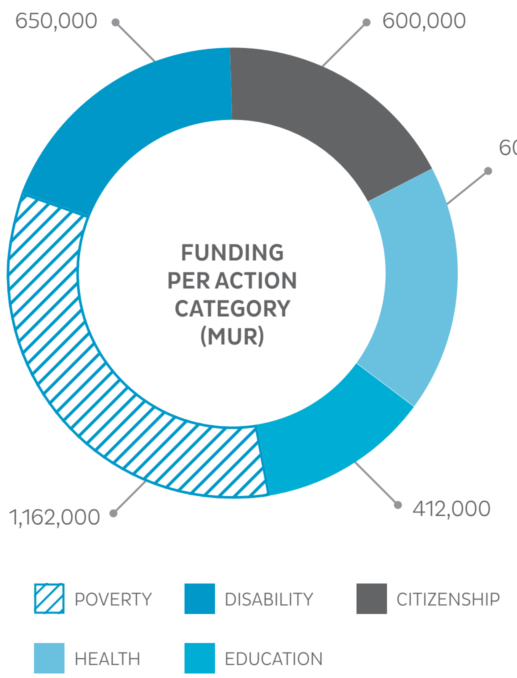
BENEFICIARIES

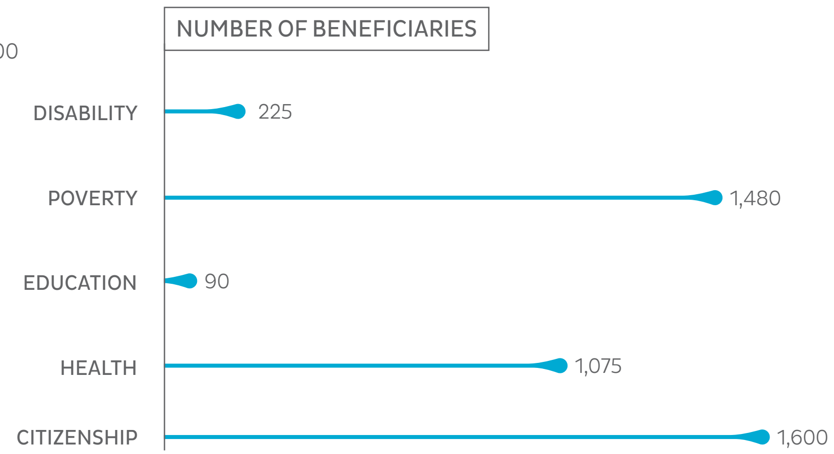
+20%

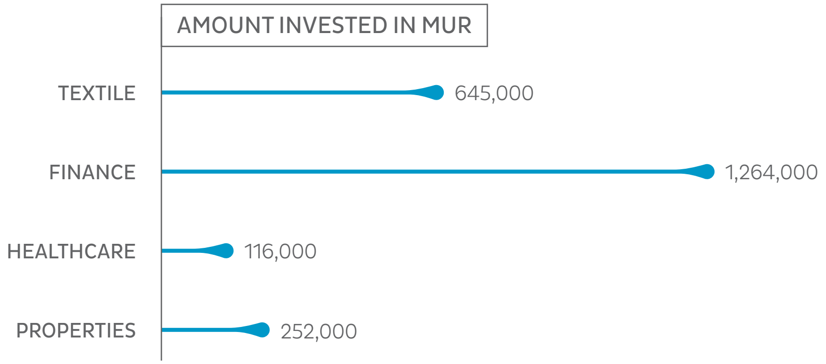
ON FY 2021

CHAMPION INCLUSIVE GROWTH

COMMUNITY EMPOWERMENT – CIEL FOUNDATION







CIEL Foundation's engagement with the community was evidenced by the continuation of all long-term programs and the return to pre-COVID levels of funding. Following the pandemic, initiatives regarding community development and poverty alleviation, educational programs, mental health support for teenagers, as well as empowerment of vulnerable women, were reinforced.

FEATURED PROJECTS

AIHD-ACTION FOR INTEGRAL HUMAN DEVELOPMENT

A total of 190 beneficiaries have been supported through counselling and group therapy, including 85 teenagers facing mental and emotional difficulties, as well as parents and teachers.

INCLUSION MAURITIUS

Empowering young disabled adults towards inclusion through the SAIM – Self Advocate Inclusion Mauritius Access to leadership trainings and networking opportunities for 110 beneficiaries.

MUR 107 M

INVESTED IN COMMUNITIES SINCE 2004

MUR 3.4 M

CHANELLED TO CSR THIS CALENDAR YEAR

CHAMPION INCLUSIVE GROWTH

Ciel Textile

ECO-INDEX

Internal rating system, which assesses sustainability aspects of our products empowers clients to understand the impact of their choices, and thus, select sustainable designs.

Ciel Finance

KRED

Innovative micro-finance solutions, including access to a "digital micro-credit bank", aimed at SMEs notably in the semi-formal /informal sector.

Ciel Properties

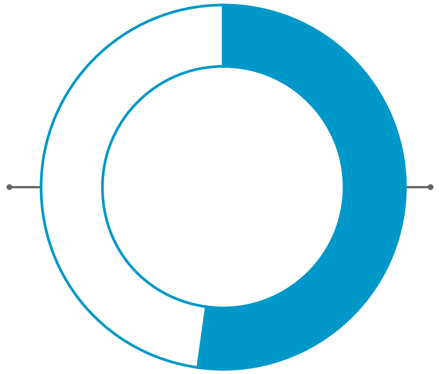
FERNEY AGRI-HUB

An integrated and conducive agri-tech eco-system for small and large agri-operators willing to nurture sustainable agricultural practices.

KRED MICRO-FINANCE SOLUTIONS

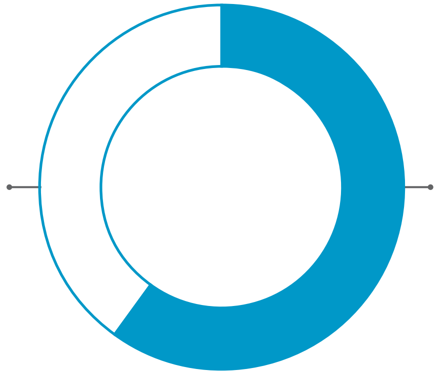
+1,100

BORROWERS



+MUR 715,000

LOAN PORTFOLIO AS AT JUNE 30TH 2022



Ferney

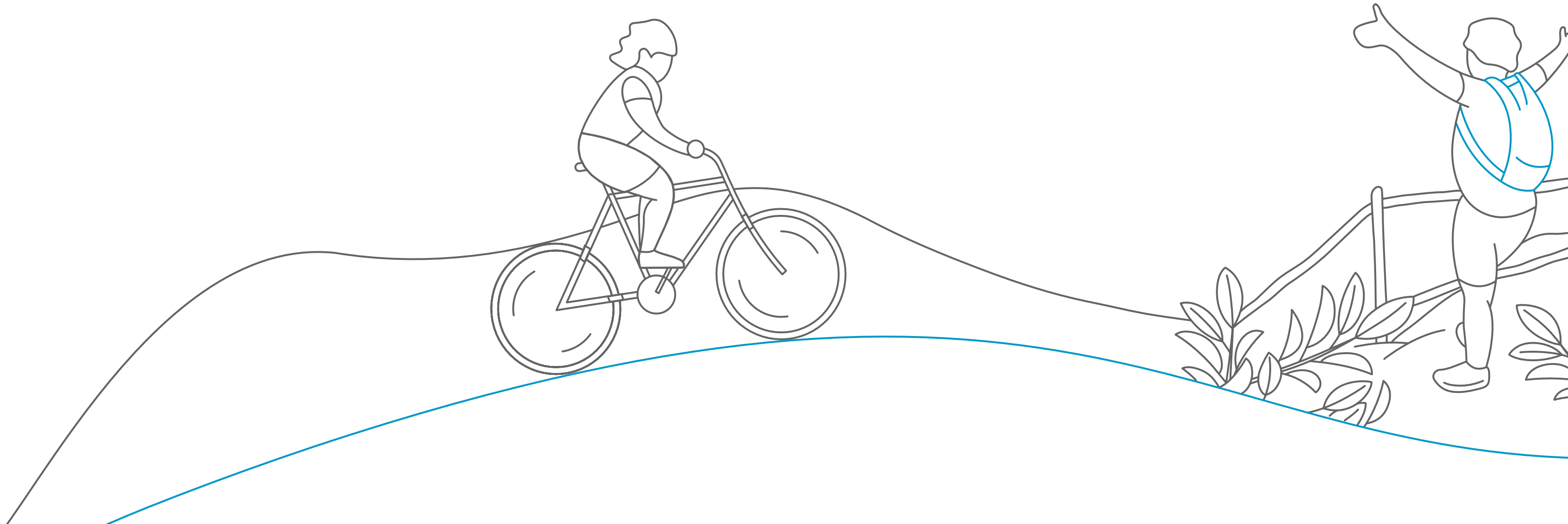
KATAPULT MAURITIUS ACCELERATOR PROGRAMME

Katapult Mauritius Accelerator, an impact accelerator programme focusing on regenerative food and agri-tech solutions for the African market, was launched at Ferney Agri-hub.

The ground-breaking program combined intense digital and physical workshops, network and learning sessions as well as investments for selected start-ups.

A heritage building was completely regenerated to host the 7 startups from Ghana, India, Mali, Nigeria, and Tunisia as well as their mentors.

The program is also a testament of partnering for impact, bringing together 4 lead investors representing the Mauritian business community and 11 international non-lead investors, including, Katapult Norway.

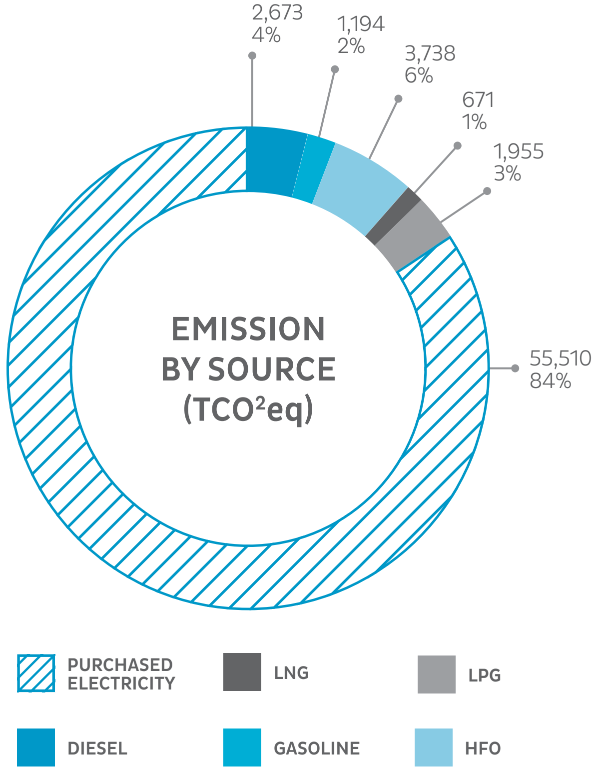


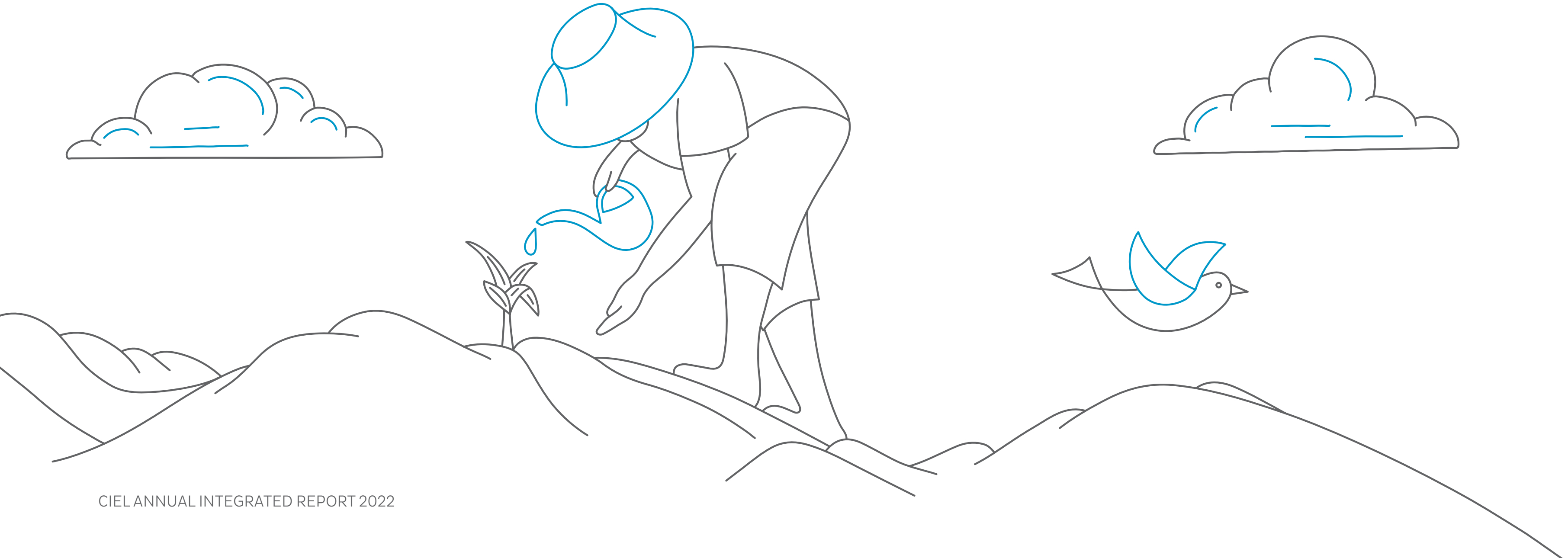
ACTIVATE CLIMATE RESPONSE

The overall carbon footprint, the total emissions (in absolute terms) and carbon intensity, has decreased significantly. The main contributing factor for the reduction in tCO_2eq emissions is the discontinuation of coal as a source of energy in the Textile cluster.

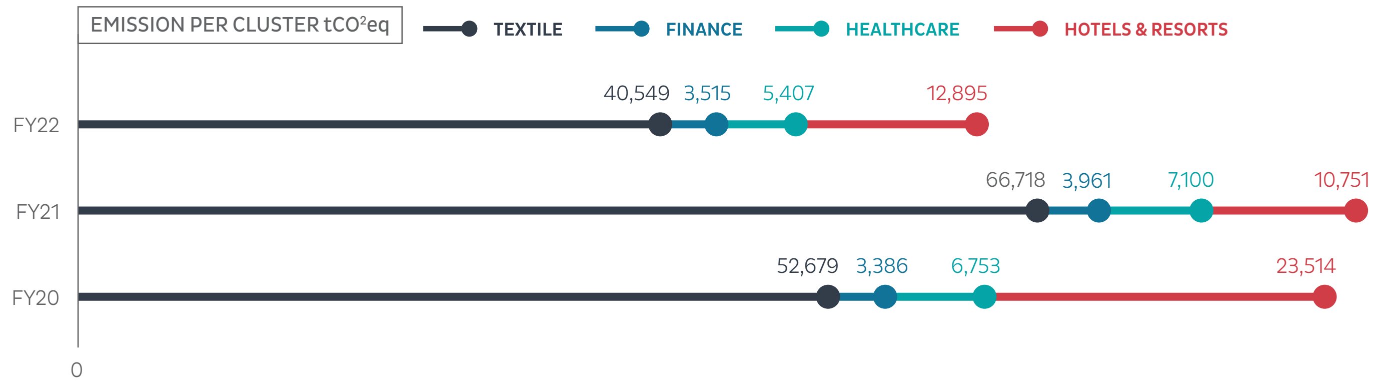
A group-wide carbon accounting exercise, using a robust methodology, which includes scope 3 emissions, has been launched in partnership with an international consultant. This will inform the update of our climate strategy. Complementary ongoing projects to achieve the emissions reduction goal include increasing the share of renewable energy, notably with onsite electricity generation in the CIEL Textile cluster, and energy efficiency initiatives notably in the Healthcare cluster.

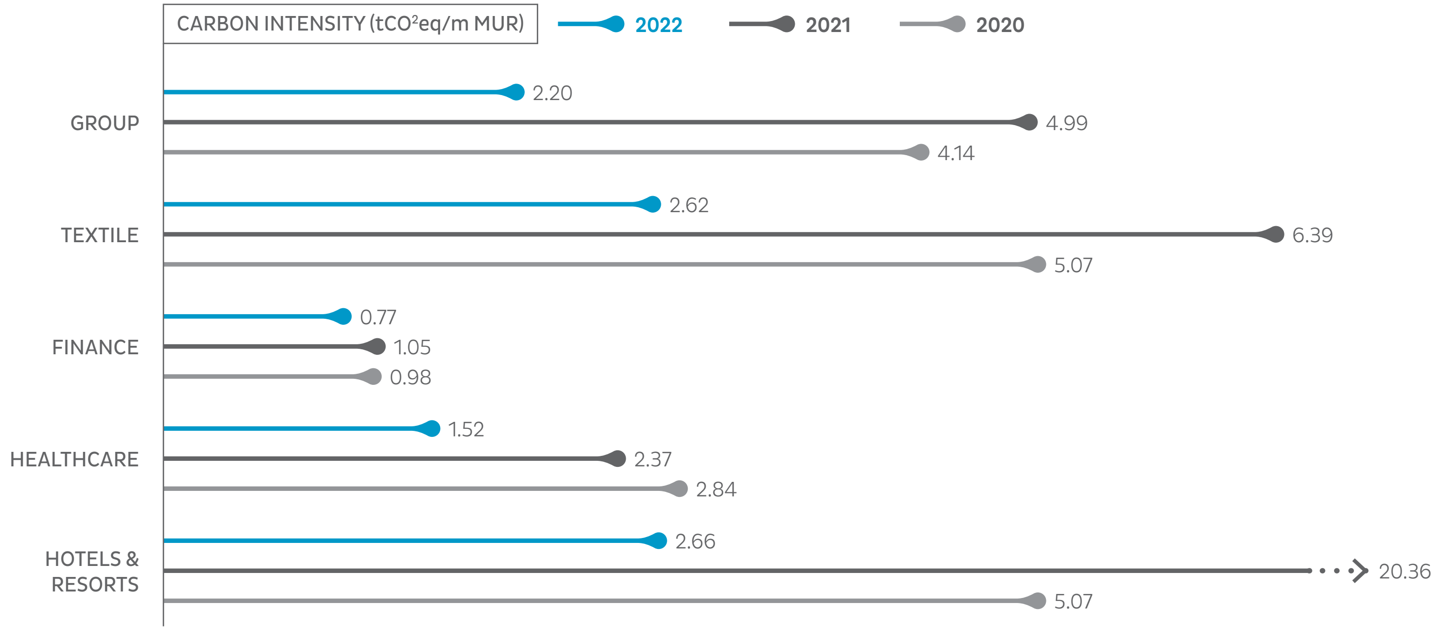
The increase in total emissions and significant decrease in carbon intensity for the Hotels & Resorts cluster is due to a sharp increase in operations following the easing of COVID related restrictions.





ENERGY & CARBON



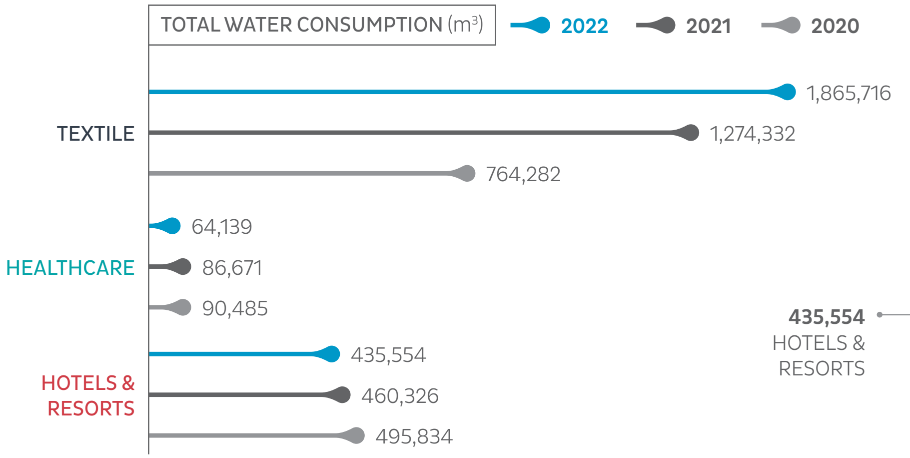


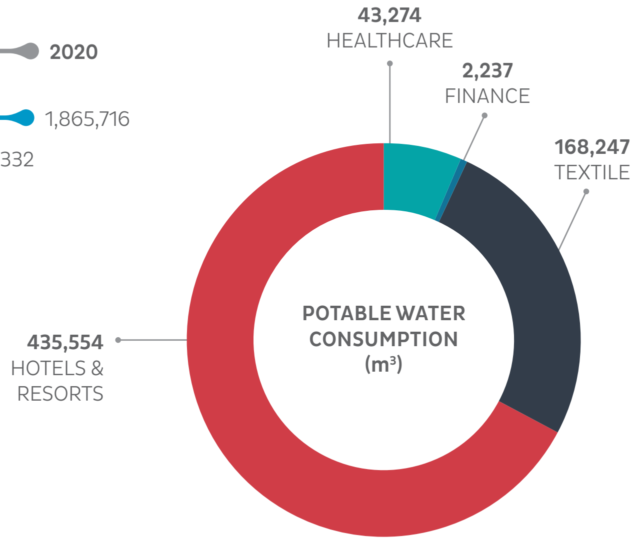
ACTIVATE CLIMATE RESPONSE

VALUE CHAINS: WATER

The water consumption value for the Textile cluster is off the charts and represents an increase of 46%. The pace of increase as compared the 2019 baseline has slowed down in spite of higher production levels and subsequent introduction of night shifts.

A decrease in water consumption in the Healthcare and Hotels & Resorts clusters can be observed. Water consumption in the Finance and Properties cluster remain negligible and are therefore not reported here.

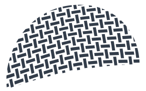




VALUE CHAINS: SUPPLIERS & WASTE

Suppliers' assessments are ongoing at cluster level with a view to enhance the sustainability/ESG criteria used and include external validation. The data collection across operations remain a priority. CIEL Textile, as a member of the Sustainable Apparel Coalition, has implemented an inhouse suppliers' sustainability assessment in line with industry best practices. Additionally, the Hotels & Resorts cluster has launched a programme to increase local sourcing of food and beverages, with a focus on supporting local farmers.

Consolidation of waste data at cluster level is a key priority for all clusters. The following highlights the key approaches at cluster level.



CIEL Textile is enhancing its commitments regarding zero-waste factories. 2 Floreal factories in Madagascar have streamed down textile waste to 0%, while 6 factories in Asia have achieved zero waste to landfill. Additionally, initiatives throughout the cluster to recycle and / or upcycle textile or plastic waste into materials for different products serve as a foundation for CIEL Textile on its journey to circularity.

CIEL Hotels & Resorts has developed an in-house application to record general waste (including plastic, paper/carton) and food waste (further segregated into preparation, plate and leftover waste). The systems calls for a behavioral change process internally as well as for external individual service providers such as waste collectors. However, through the upcoming deployment of training initiatives, CIEL Hotels & Resorts cluster will accelerate the adoption of the system.

CONSERVATION & REGENERATION

Ferney's Contribution

Ferney is home to over 1,500 hectares of forest within the Bambous mountain range and has supported conservation efforts of national and international importance since 1987. Today, the work carried out by La Vallee de Ferney Conservation Trust represents CIEL's flagship project on biodiversity in Mauritius.

MILESTONES TO DATE

- **1987** Mauritius Kestrels are reintroduced in Ferney
- **2000** The Kestrel is moved from Critically Endangered to Endangered status
- **2003** Rare tree species are discovered, and the Ferney highway project is halted
- **2007** A dedicated conservation zone is delimited, covering over 100 hectares
- **2008** La Vallée de Ferney Conservation Trust is created
- **2013** Landmark funding obtained for flora & fauna project, including bird releases
- **2017** Continued onwards partnership with the Mauritian Wildlife Foundation
- **2019** 30,000 endemic trees replanted in the wild
- **2020** The Echo Parakeet is moved from Endangered to Vulnerable status
- **2021** An assessment of habitat quality sparks interest for new scientific research
- **2022** A new nursery raising propagation capacity from 16,000 to 24,000 plants

ACTIVATE CLIMATE RESPONSE

CONSERVATION & REGENERATION

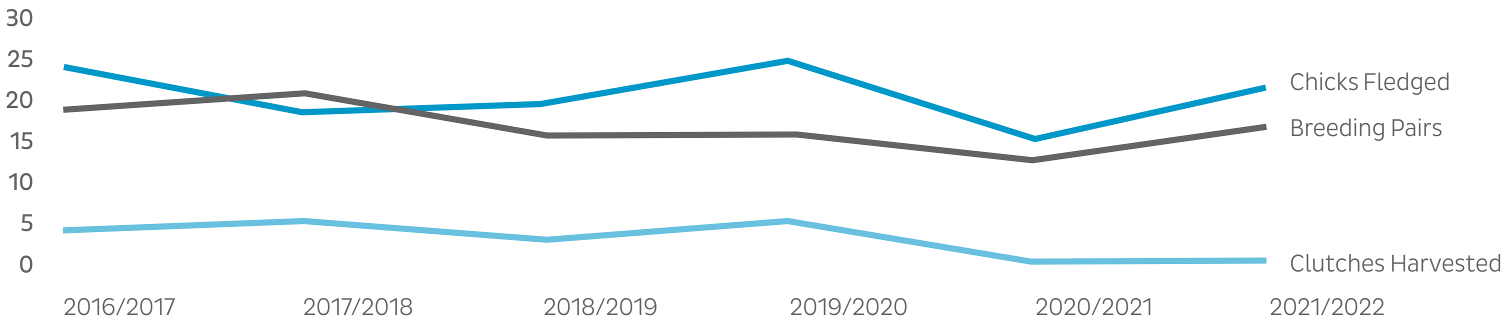
The Mauritius Kestrel: National Bird from 2022

In 1974, Mauritius Kestrels were the rarest bird of prey in the world, with only 4 individuals known to exist in the wild. Following captive breeding and intensive management of a renewed population by Durell Conservation and its partners, reintroductions started in La Vallée de Ferney in 1987. This year, the Mauritius Kestrel was proclaimed national bird.

While the species is still endangered, 125 chicks have fledged in Ferney since 2016, including 22 in 2021/2022 from 17 known breeding pairs. According to the Mauritian Wildlife Foundation (MWF), the valley is home to the best global population of this bird (IUCN estimates 170 to 200 birds are alive in the wild).

This habitat plays an even more important key role in the conservation of the species, whereby the MWF harvests eggs yearly from Ferney nests, to raise and reintroduce young birds in other areas in Mauritius, ensuring genetic diversity and supporting Kestrel populations on the island.

Kestrel Population Indicators



OTHER FAUNA

- Up to 40 Echo Parakeets (vulnerable species)
- 54 Pink Pigeons (vulnerable species), with 10 new individuals caught and ringed in 2021/22
- Population of over 10,000 Greater Mascarene Flying Fox (Fruit Bats) which are an endangered species
- Cuckoo-shrikes & Paradise Flycatchers sighted

ACTIVATE CLIMATE RESPONSE

CONSERVATION & REGENERATION

Focus on Flora

Nearly 120 species and varieties of native plants are known to be present in Ferney, of which 43 endangered at 18 critically endangered. 37,000 trees were planted in the conservation zone to date, strengthening the presence of at least 37 endemic species, improving the endemic fauna's habitat, and creating a unique eco-tour experience for visitors, Mauritian and foreigners alike. The Trust will now focus its efforts on critically endangered species that cannot reproduce naturally, due to lack of numbers and isolation, which prevent pollination. Maintenance weeding will also continue to assist the forest's natural regeneration.

Workforce & Infrastructure

The Trust directly employs 11 staff, mostly from neighbouring communities. Since its creation, It has relied on a 600m² plant nursery built in the Valley. The nursery serves as the base operations where seedlings are grown in optimal conditions, before replanting in the conservation zone. As of September 2022, it contained over 19,000 plants from 37 different species.

In 2021, a new 300m² nursery was built in the Ferney gardens, to support further conservation efforts. It now contains over 9,000 plants.

ASSUMPTIONS

SCOPE

For the sustainability section, five CIEL clusters were considered, including Textile, Finance, Healthcare, Hotels & Resorts and Finance. Regarding the Finance cluster, in FY 2022 all entities have been included, while FY 21 data reflect only BNI Madagascar and Bank One performance. In the Healthcare cluster, the three main clinics, which form part of C-Care Mauritius and C-Care Uganda were considered. There are efforts to consolidate data for C-care labs and small satellite clinics for upcoming years. Hotels & Resorts cluster data was aggregated for the Sugar Beach, La Pirogue, Long Beach and Ambre hotels as well the island of Ile Aux Cerfs. All operational sites of the Textile cluster were considered except the new investment in Cotona in Madagascar. The latter site's data was however successfully accounted for the Energy and Carbon data. In the Properties cluster, only La Vallée de Ferney was included as other sites are not yet operational or not material.

ENERGY & CARBON

Emissions from burning brickettes (made of materials such as waste carton and fabric) are not accounted due to low volume and unknown emission factor. It must also be noted that changes in emission values are not only due to the Group's activities, but they are also affected by the changes grid emission factors for electricity supply. Scope 3 emissions are not yet considered. For energy calculations, local grid factors were used to calculate to tCO^{2}eq emission from electricity.

Emission from all other sources were calculated using conversion factors from IPCC guidelines.

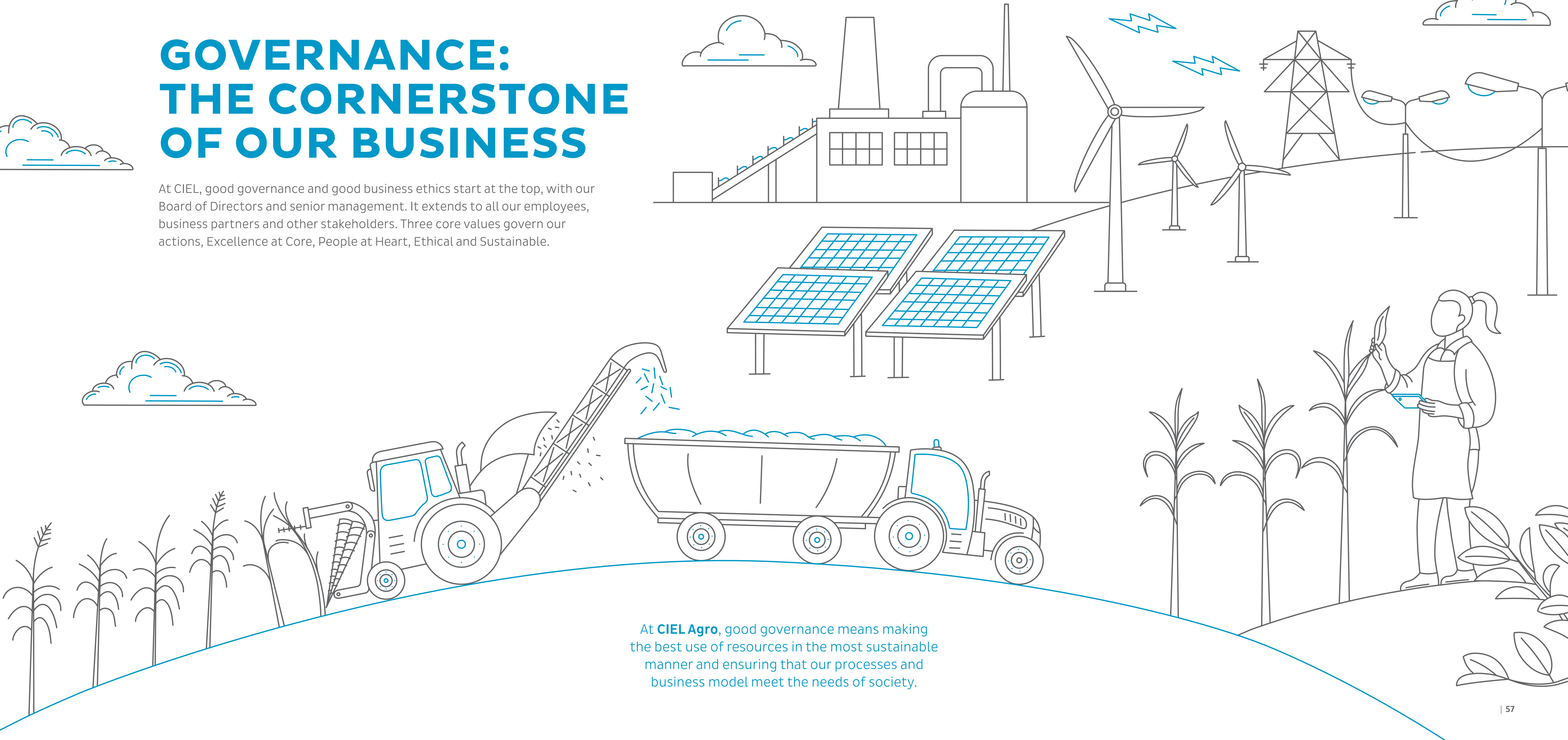
In the current FY, in collaboration with an external consultant, the Group is finalising data collection for the calculation of carbon and energy baseline across five clusters, namely Textile, Properties, Finance, Healthcare and Hotels & Resorts. Carbon assessments will be carried out in accordance with a robust methodology including Greenhouse Gases (GHGs) other than carbon and accounts for scope 3 emissions. This exercise will enable the update of CIEL's climate strategy and set ambitious objectives in alignment with the Science Based Targets initiative (SBTi).

DATA ACCURACY AND REPORTING

Following the successful implementation of the UL 360 data gathering and reporting platform in the Textile cluster, this management tool will be implemented in other clusters namely, Healthcare, Finance, Properties and Hotels & Resorts. This will enhance further reliability and consistency in data collection and analysis in the coming years, therefore equipping the Group to enhance disclosures in line with global reporting standards. Through the increased regularity and accuracy of data capture, notably regarding local engagements and waste management, the platform will be a valuable tool for decision-making and driving real change.

GOVERNANCE: THE CORNERSTONE OF OUR BUSINESS

At CIEL, good governance and good business ethics start at the top, with our Board of Directors and senior management. It extends to all our employees, business partners and other stakeholders. Three core values govern our actions, Excellence at Core, People at Heart, Ethical and Sustainable.



At **CIEL Agro**, good governance means making the best use of resources in the most sustainable manner and ensuring that our processes and business model meet the needs of society.

CORPORATE GOVERNANCE REPORT

CIEL AT A GLANCE

Public company listed on the Official Market of the Stock Exchange of Mauritius ("SEM")

Listed on the SEM Sustainability Index (SEMSI) since 29 March 2019

Public Interest Entity as defined by the Financial Reporting Act 2004

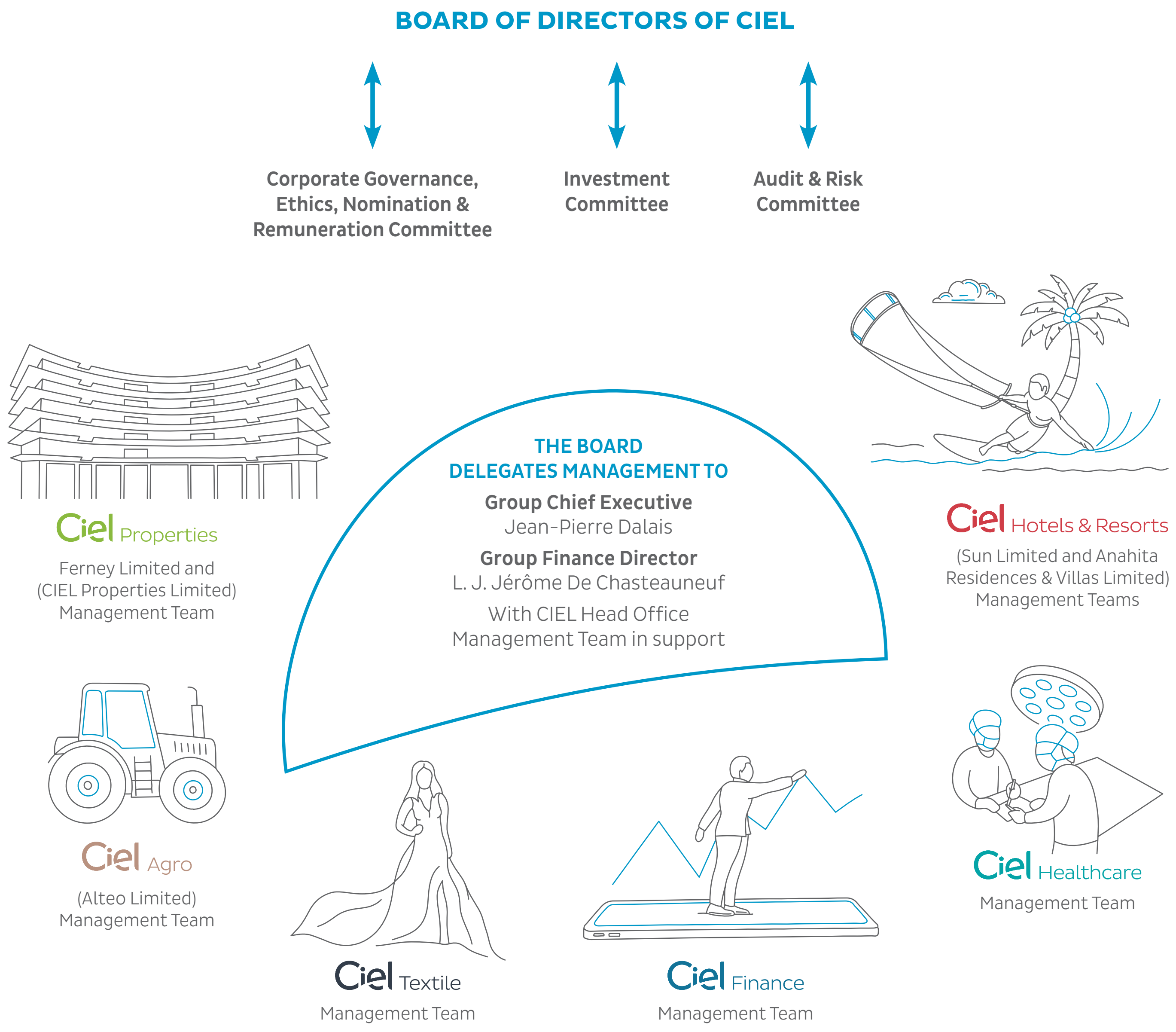
Operates six business clusters spread across 10 countries

GROUP PROFILE – A DIVERSIFIED MAURITIAN INVESTMENT GROUP WITH AN INTERNATIONAL FOOTPRINT

The Board of Directors ("Board") of CIEL Limited ("CIEL") is committed to maintaining high standards of corporate governance and acknowledges its responsibility for applying and implementing the principles contained in the National Code of Corporate Governance for Mauritius (2016) ("the Code"). Details on how CIEL has applied the Code's principles are set out in this report. CIEL also uses its website for online reporting purposes, in accordance with the recommendations of the Code. You may refer to CIEL governance section in the investor page on **www.cielgroup.com** ("CIEL's website").

CIEL'S ORGANISATIONAL CHART AND STATEMENT OF ACCOUNTABILITIES

The Board of CIEL is ultimately accountable and responsible for the performance and affairs of the Group which operates within a defined governance framework through delegation of authorities and clear lines of responsibility while enabling the Board to retain effective control. Three Board committees are tasked to provide specialist guidance and recommendations to the Board.



Jean-Pierre Dalais, Group Chief Executive, is responsible for the affairs of the Group and closely interacts with the CEOs of the Group. Regular forums are held to promote the interaction between the CEOs of the Group. The Group Chief Executive has the support of the Group Finance Director and the management team of CIEL Head Office, which offers a combination of corporate services and strategic support to the main operational clusters of CIEL.

CORPORATE GOVERNANCE REPORT CONT'D

CIEL'S GOVERNANCE STRUCTURE

The role of the Board is to provide effective leadership and direction to enhance the long-term value of the Group, for its shareholders and other stakeholders. The Board assumes its responsibility in

(i) overseeing the business affairs of the Group; and
(ii) reviewing its strategic plans, performance objectives, financial plans, annual budget, key operational initiatives, major funding, investment proposals, financial performance reviews and corporate governance practices. It ensures that all legal and regulatory requirements are met.

Governance documents, as approved by the Board of CIEL, may be consulted on CIEL's website under the Investors/Corporate Governance section, namely Conflict of Interest/Related Party Transactions Policy | Share Dealing Policy | Job Description of Senior Governance Position | Group Structure | Code of Ethics | Board Charter | Whistle Blowing Policy | Constitution |
Terms of Reference of Board Committees. A review of these documents/policies is performed under defined time frames, and amendments are made when necessary. The Board charter, Conflict of Interest/Related Party Transactions Policy and Share Dealing Policy were updated during the financial year.

THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The Board of CIEL is composed of directors coming from different industries and backgrounds with strong business, international and management experience which are important considering the nature and scope of the Group's business and the number of board committees. The Board is satisfied that its composition is adequately balanced and that the current directors have the range of skills, expertise and experience to carry out their duties properly. The Chairman of the Board is a NED and does not have a casting vote at board meetings.

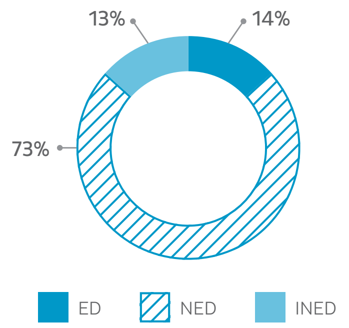
Type of Mandate: Unitary Board of 15 directors in line with the Company's constitution which provides that the Board shall consist of not less than eight directors and not more than 16 directors.

Board Meetings during the Financial Year: 5

Decisions adopted by way of Written Resolution in lieu of holding Board Meetings: 2

A sufficient number of directors does not have a relationship with the organisation.

CATEGORY OF DIRECTORS



Tenure of Directorships as at 30 June 2022

Between 0 and 2 years: Nil

Between 2 and 4 years: 1 director

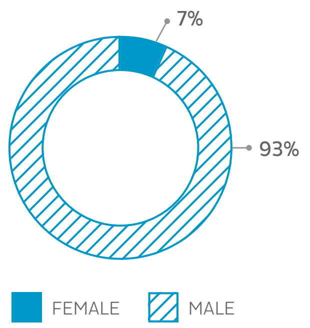
Between 4 and 6 years: 2 directors

More than 6 years: 12 directors

Quorum for the Board: 7 directors

There have been no changes on the Board during the financial year.

GENDER BALANCE



DIRECTORS	GENDER	AGE	ATTENDANCE	RESIDENCE	CATEGORY
P. Arnaud Dalais (Chairman)	M	67	4/5	Mauritius	NEC
Sébastien Coquard	M	47	5/5	France	NED
Guillaume Dalais	M	40	5/5	Mauritius	NED
Jean-Pierre Dalais	M	58	5/5	Mauritius	ED
Marc Dalais	M	58	4/5	Mauritius	NED
R. Thierry Dalais	M	63	5/5	Mauritius	NED
Pierre Danon	M	66	3/5	France	INED
L. J. Jérôme De Chasteauneuf	M	55	5/5	Mauritius	ED
Roger Espitalier Noël	M	67	5/5	Mauritius	NED
M. A. Louis Guimbeau	M	71	5/5	Mauritius	NED
J. Harold Mayer	M	57	5/5	Mauritius	NED
Marc Ladreit de Lacharrière*	M	81	1/5*	France	NED
Catherine McIlraith	F	58	5/5	Mauritius	INED
Jean-Louis Savoye	M	48	3/5	France	NED
Xavier Thiéblin	M	79	4/5	France	NED
*Jacques Toupas, Alternate of Marc Ladreit de Lacharrière	M	44	4/5	France	NED

NEC: Non-Executive Chairman **NED:** Non-Executive Director **INED:** Independent Non-Executive Director **ED:** Executive Director

CORPORATE GOVERNANCE REPORT CONT'D

INDEPENDENCE ON THE BOARD

The independence criteria for directors is defined under the Mauritius Companies Act 2001. Catherine McIlraith and Pierre Danon still qualify as independent non-executive directors.

COMPANY SECRETARY

CIEL Corporate Services Ltd ("CCS"), a wholly owned subsidiary of CIEL Limited, employs qualified chartered secretaries, to provide the services of the company secretary to CIEL Group. Clothilde de Comarmond acts as the Board secretary and is qualified as an associate under the Institute of Chartered Governance. She joined CCS in 2000 and is in charge of the company secretarial department at CIEL Head Office.

TIME COMMITMENT AND OTHER DIRECTORSHIP POSITIONS

The directors ensure that they devote sufficient time to the Company in the performance of their duties. CIEL does not have an over boarding policy but is satisfied, in line with the attendance scores achieved, that its members have met their time commitment expectations in respect of board and committee meetings and that they continue to discharge their responsibilities effectively. The directorships of the directors in listed companies have been disclosed under the directors' profiles section.

FOCUS AREAS OF THE BOARD DURING THE FINANCIAL YEAR

RECURRING AGENDA ITEMS	STRATEGY, PERFORMANCE, FINANCIAL MONITORING	GOVERNANCE AND RISK, OTHER
• Declaration of interests • Minutes of proceedings of meetings • Reports from chairmen of Board committees • Quarterly investment reports, including economic updates of countries within which the Group operates, peer review and financial results	• Annual and quarterly financial statements • Deep dive and strategy update on CIEL Finance, CIEL Healthcare and CIEL Properties in the presence of the respective CEOs • Alteo's restructuring • Annual Report • Dividend declarations of annual budget	• Remuneration of the directors • Risk dashboards for the Group • Internal audit assessments through the report from the Chairman of the Audit & Risk Committee

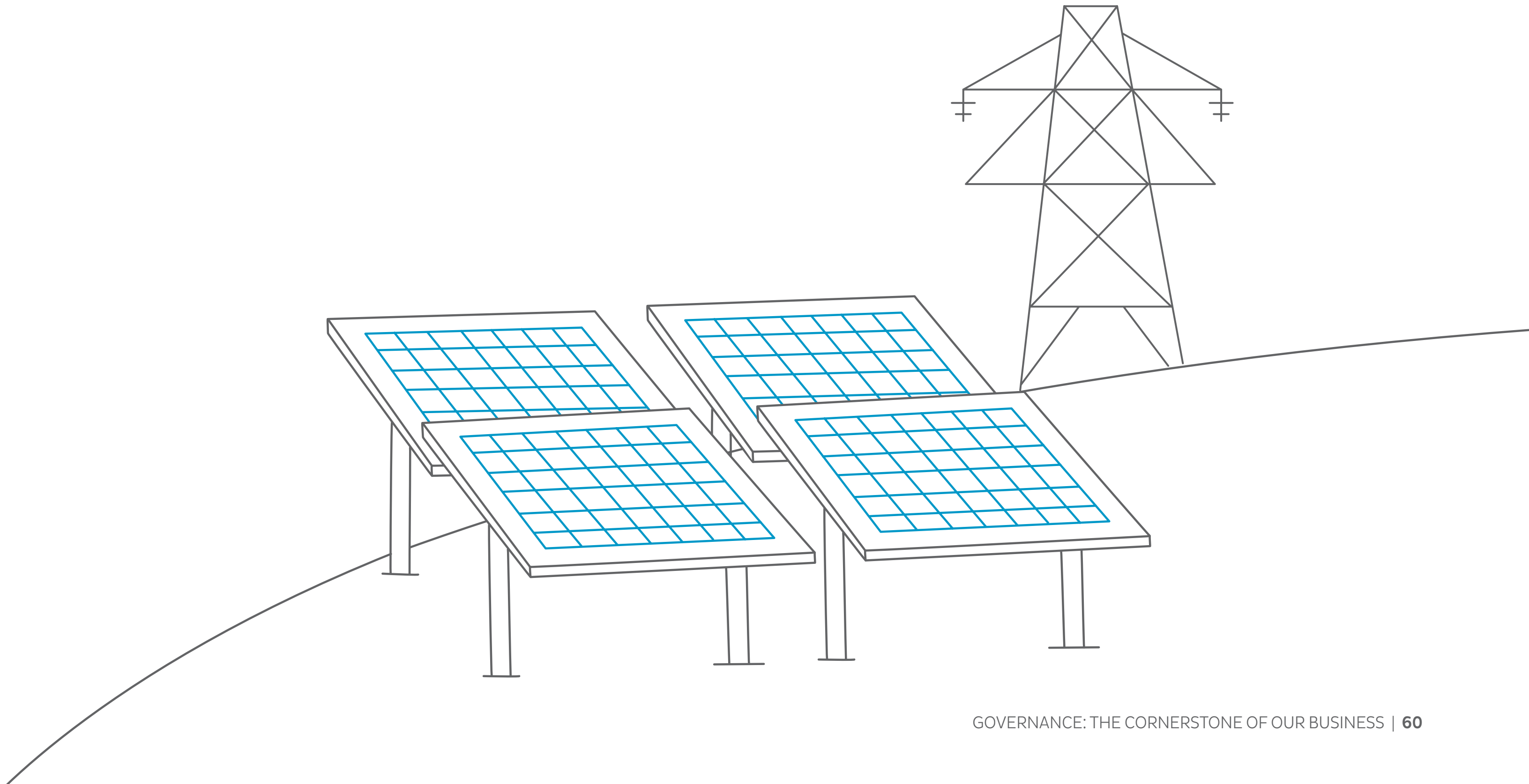
BOARD PROCESSES AND ATTENDANCE AT BOARD/COMMITTEE MEETINGS

Dates of meetings are planned well in advance (by September of the previous calendar year).

The Board meets at least 4 times a year. Ad-hoc meetings may also be convened to deliberate on urgent substantive matters. Decisions of the Board are also taken by way of written resolutions.

Documents are circulated in advance (through an online portal facilitating the viewing of such papers), in order for the Directors to devote sufficient time towards the reading of these documents.

The Chairman of the Board, in collaboration with the company secretary and management, ensure that all directors are provided with appropriate, reliable and timely information to enable them to discharge their duties effectively and reach informed decisions. The target is to communicate board documents to the directors at least 5 working days ahead of the meetings. The directors have access to a software designed with features to help them save time, improve efficiencies, and enhance the effectiveness of meetings for boards and committees.



CORPORATE GOVERNANCE REPORT CONT'D

DEDICATED COMMITTEES ASSISTING THE BOARD IN ITS DUTIES

The Board delegates certain roles and responsibilities to its committees. Whilst it retains the overall responsibility, committees further probe topics more deeply and then report on the matters discussed, decisions taken, and where appropriate, make recommendations on items requiring the approval of the Board. The committees play a key role in supporting the Board. The company secretary of the Board acts as secretary to these committees. Minutes of proceedings of committee meetings (except for the Corporate Governance, Ethics, Nomination & Remuneration Committee) are circulated to the Board and the chairs of each of the committees report verbally on their activities. The Board is satisfied that the committees are appropriately structured, skilled and competent to deal with both the Company's existing and emerging issues, and that they have effectively discharged their responsibilities during the year under review according to their terms of reference. The terms of reference of the committees are updated as and when necessary and are available for consultation on CIEL's website.

INVESTMENT COMMITTEE

MEMBERS	ATTENDANCE
R. Thierry Dalais, Chairman	1/1
Damien Braud	1/1
Sébastien Coquard	0/1
P. Arnaud Dalais	1/1
Jean-Pierre Dalais	1/1
Pierre Danon	1/1
L. J. Jérôme De Chasteauneuf	1/1

MAIN TERMS OF REFERENCE

The main terms of reference of the Investment Committee are:

- Consider investment and divestment propositions as put forward by management from time to time
- Discuss and recommend to the Board all strategic investments or divestments to be made by the Company and transactions involving more than 1% of the Group net asset value

FOCUS AREAS DURING THE YEAR

Restructuring at Alteo Limited (scheme of arrangement)

AUDIT & RISK COMMITTEE

MEMBERS	ATTENDANCE
Catherine McIlraith, Chairman	5/5
Pierre Danon	4/5
M. A. Louis Guimbeau	5/5

MAIN TERMS OF REFERENCE

- Examine and review the quality and integrity of the financial statements (Company and Group) and any formal announcements relating to the Company's financial performance, before submission to the Board
- Review arrangements and modalities by which any staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting, ensuring that arrangements are in place for the proper investigation of such matters, and for appropriate follow-up action
- Assess the robustness of the Company's internal control including internal financial control and business risk management
- Maintain an effective internal control system including the system(s) established to identify, assess, manage and monitor risks
- Approve appointment of internal auditor and their fees
- Evaluate and approve the annual internal audit work plan and consider reports pertaining to findings of internal audits on a periodic basis
- Oversee the process for selecting the external auditor, assess the continuing independence of the external auditor and approve the audit fees
- Review annually in presence of the external auditor their management their management letter and report on audit

FOCUS AREAS DURING THE YEAR

- Audited accounts and management letter:
- External audit plan
- Risk report for the annual report
- Quarterly condensed financial statements and financial review documents
- Quarterly risk management reports and risk dashboards
- Material litigation cases
- Related party transactions

CORPORATE GOVERNANCE REPORT CONT'D

CORPORATE GOVERNANCE, ETHICS, NOMINATION & REMUNERATION COMMITTEE

MEMBERS	ATTENDANCE
Pierre Danon, Chairman	2/2
P. Arnaud Dalais	2/2
R. Thierry Dalais	2/2
Xavier Thiéblin	2/2

MAIN TERMS OF REFERENCE

- Recommend corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles
- Approve the bonus/remuneration for the executives
- Recommend to the Board the directors' remuneration, including the chairman's fee
- Recommend new Board and senior executive nominations
- Monitor the implementation of the code of ethics and set the tone for its implementation

FOCUS AREAS DURING THE YEAR

Audited accounts and management letter:

- Corporate governance report
- Executives' bonus
- Updated succession plan for the Executives of the Group, including those of CIEL Head Office
- Update of governance documents
- Benchmarking of directors' fees
- Engagement survey results
- Directors fees' financial year 2023
- Board evaluation results and action plan

DIRECTORS' PROFILES

The biographical details of the Directors of the Company are provided hereunder.

P. ARNAUD DALAIS

Chairman/Non-Executive Director, joined the Board in November 1991

Skills and Experience:

- Joined the CIEL Group in August 1977
- Appointed Group Chief Executive and Director in November 1991
- Under his leadership, the CIEL Group at large went through an important growth both locally and internationally
- Over the years, has played an active role at the level of the Mauritian private sector and has assumed the chairmanship of several organisations including the Joint Economic Council from 2000 to 2002 and Business Mauritius from 2015 to 2017
- Founder and Chairman of Mercoeur Investment Ltd

Directorships in other listed companies:
Alteo Limited (up to 24th June 2022), Sun Limited

Core competencies:
Leadership, entrepreneurship, deal structuring, business management, strategic development, hotel & property development

SÉBASTIEN COQUARD

Non-Executive Director, joined the Board in May 2014

Skills and Experience:

- Deputy CEO at Peugeot Invest, the listed investment company majority-owned by the Peugeot family
- Representative of Peugeot Invest Assets on the Board of Directors of OPCI Lapillus II and IDI Emerging Markets SA
- Former representative of Peugeot Invest on the Board of Directors of Onet, Ipsos, LT Participations and IDI SCA
- Director of Peugeot Invest UK Ltd
- Board observer at Asia Emerging Assistance Holding PTE Ltd
- Held long-term investments positions at Allianz France, worked at Oddo Corporate Finance on M&A and ECM transactions and in the corporate banking division of Paribas

Directorships in other listed companies:
None

Core competencies:
Investment, corporate finance, capital markets, valuation

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' PROFILES CONT'D

GUILLAUME DALAIS
Non-Executive Director, joined the Board in June 2019

Skills and Experience:

- CEO of CIEL Properties since 01 July 2020
- Former experience in the investment Banking sector by working at Metier Investments & Advisory Services in South Africa and CIEL Capital Limited in Mauritius.
- Joined the CIEL Textile Group in 2010
- Appointed Executive Director of the Knits Cluster of the CIEL Textile Group in 2012
- Chief Executive Officer of the Knitwear cluster of the CIEL Textile Group between July 2016 and June 2020
- Holder of a Master 2 from Ecole Supèrieure de Gestion (now Paris School of Business) in Finance and Accounting, Paris, France; also completed HEC Paris Executive Education

Directorships in other listed companies:
C-Care (Mauritius) Ltd, Sun Limited

Core competencies:
Private equity, textile, manufacturing, entrepreneurship, strategic business development, deal structuring

JEAN-PIERRE DALAIS
Executive Director and Group Chief Executive, joined the Board in February 1995

Skills and Experience:

- Joined CIEL Group in January 1992 and is its Group Chief Executive since January 2017, overseeing all Group operations
- Was formerly Executive Director at CIEL, focusing particularly on the development of the Group's Hotels & Resorts, Financial Services and Healthcare clusters
- Before that, Jean-Pierre Dalais was the Chief Executive Officer of CIEL Investment Limited
- Graduated with an MBA from the International University of America, San Francisco, and previously worked at Arthur Andersen (Mauritius and France)

Directorships in other listed companies:
Alteo Limited, Sun Limited (Chairman)

Core competencies:
Strategy and corporate finance, building business partnership, international development, new business opportunities, hotel & property development

MARC DALAIS
Non-Executive Director, joined the Board in June 2017

Skills and Experience:

- Founder and Executive Chairman of Celero group, a leading logistics and shipping group operating mainly in Mauritius and Madagascar
- Previous International working experience with an international shipping company in RSA and the Bollore group in Paris
- Worked at IBL group as General Manager of a trading division then heading and growing its Aviation, Logistics & Shipping division in the Indian Ocean
- Served on boards of Mauritius Export Association and a company pioneering Freeport operations in Mauritius

Directorships in other listed companies:
None

Core competencies:
Logistics, business and management, strategic planning, leadership

R. THIERRY DALAIS
Non-Executive Director, joined the Board in August 2013

Skills and Experience:

- More than 35 years' experience in the financial services and private equity investment industry
- Co-founder of two private equity investment firms and acted as a key person in numerous private investment programs over the last 30 years
- Current and former director and trustee on numerous boards, industry bodies, not for profit foundations, including listed companies in Mauritius and abroad.
- Completed degrees in Commerce and Accounting at the University of the Witwatersrand and qualified as a Chartered Accountant in South Africa

Directorships in other listed companies:
Sun Limited

Core competencies:
Investment management and corporate finance, entrepreneurship and business development, private equity investment activities across numerous industry sectors

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' PROFILES CONT'D

PIERRE DANON
Independent Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Chairman of Data Group-Volia in Kiev, the Ukrainian leading cable and broadband company
- Chairman of Procontact, a call centre dedicated to small and medium-sized French businesses located in the Indian Ocean
- Former Chairman of Eircom in Dublin and TDC in Copenhagen, Vice Chairman of AgroGeneration, a public company listed on the Alternext of NYSE, Chief Operating Officer of the Capgemini Group, one of the world's foremost providers of consulting, technology and outsourcing services, Chief Officer of British Telecom Retail and non-executive Director of Standard Life in Edinburgh
- Former Chairman of Solocal Group, a European leader in digital communication

Directorships in other listed companies:
None

Core competencies:
Digital, international business management, entrepreneurship, deal structuring

L. J. JÉRÔME DE CHASTEAUNEUF
Executive Director and Group Finance Director, joined the Board in April 2012

Skills and Experience:

- Qualified from The London School of Economics - BSc Econ (Accounting & finance)
- Former working experience with PriceWaterhouse Coopers in the UK, where he qualified as a Chartered Accountant
- Key leading position within the CIEL Group, becoming its Head of Finance in 2000
- Involved in the financial re-engineering which accompanied the development of the CIEL Group.
- Currently representing CIEL on numerous boards of subsidiaries
- Serves as independent non-executive director on the Board of the Stock Exchange of Mauritius Ltd

Directorships in other listed companies:
Alteo Limited (Chairman since 25 March 2022), Harel Mallac & Co. Limited, Sun Limited

Core competencies:
Business development and finance, accounting & audit, strategic development, deal structuring

ROGER ESPITALIER NOËL
Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Former Corporate Sustainability Advisor of CIEL
- Former General Manager of Floreal Knitwear Limited
- Holds more than 35 years' experience in the textile industry
- Involved in the restructuring and restart of the Madagascar Production Units after the political unrest of 2001, and as from 2008, acting as consultant for the CIEL Textile Limited where his activities were focused on the environmental, logistics, utilities as well as the retail aspects of the Knits division

Directorships in other listed companies:
ENL Limited

Core competencies:
Textile, manufacturing and operations, environment and sustainability

M. A. LOUIS GUIMBEAU
Non-Executive Director, joined the Board in July 1991

Skills and Experience:

- Held senior positions in different sectors of the Mauritian economy, gaining a vast experience in strategy development, administration, finance and accounting until his retirement in 2010
- Co-founder of La Meule Permaculture Farm in 2014, a sustainable living project
- Fellow of the Mauritius Institute of Directors
- Former Director of Sun Limited

Directorships in other listed companies:
None

Core competencies:
Finance, accounting, business management

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' PROFILES CONT'D

J. HAROLD MAYER
Non-Executive Director, joined the Board in January 2014

Skills and Experience:

- Retired as CEO of the CIEL Textile Group on 30 June 2020
- Was formerly Chief Executive Officer of the CIEL Textile Group since 2006
- He joined CIEL Textile in 1990 and has been holding key positions within the Group since then. He started his career as Head of Finance of New Island Clothing and was promoted General Manager of Aquarelle Clothing Ltd in 1995. He was also Chief Operating Officer of the clothing operations
- He is a qualified Chartered Accountant and holds a bachelor's degree in Commerce
- Offers property advisory and transaction services (Horizon Property Partners)
- Acts as corporate consultant on strategy, finance and operational excellence

Directorships in other listed companies:
Air Mauritius Ltd, Sun Limited, Omnicane Limited (Chairman)

Core competencies:
Corporate finance, accounting, operational excellence, textile, entrepreneurship

MARC LADREIT DE LACHARRIÈRE
Non-Executive Director, joined the Board in September 2014

Skills and Experience:

- Founder of Fimalac, a formerly listed company held by Group Marc de Lacharrière, which operates in four business areas: capital investment with Warburg Pincus, digital media in entertainment through Webedia, entertainment with the organisation of shows and venue management (FIMALAC Entertainment), and leisure activities and hotels through the Group Barrière
- Former Executive of Banque de Suez et de l'Union des Mines, which was renamed Indosuez following the integration of Banque de l'Indochine
- Former CFO of L'Oréal where he progressively became Vice-Chairman Deputy CEO

Directorships in other listed companies:
Société Fermière du Casino Municipal de Cannes (SFCMC)

Core competencies:
International business and management, leisure and hospitality

CATHERINE MCILRAITH
Independent Non-Executive Director, joined the Board in January 2015

Skills and Experience:

- Member of the South African Institute of Chartered Accountants since 1992
- Fellow Member of the Mauritius Institute of Directors
- Serves as an Independent Non-Executive Director and as a member of various Committees of several public and private companies in Mauritius, South Africa and England
- Served her Articles with Ernst & Young in Johannesburg before joining the investment banking industry where she held senior positions in corporate and specialised finance for Ridge Corporate Finance, BoE NatWest and BoE Merchant Bank in Johannesburg
- Former Head of Banking at Investec Bank (Mauritius Branch)

Directorships in other listed companies:
Astoria Investments Ltd, Grit Real Estate Income Group Limited, Les Gaz Industriels Ltd, Paradise Hospitality Group Ltd, The Mauritius Union Assurance Company Limited, MUA Limited, Phoenix Beverages Limited

Core competencies:
Corporate finance, accounting, audit, investment banking

JEAN-LOUIS SAVOYE
Non-Executive Director, joined the Board in September 2017

Skills and Experience:

- Deputy General Manager of Dentressangle, a French société par actions simplifiée which is the investment holding company of the Dentressangle family
- Has been instrumental in helping Dentressangle to realise its investment strategy during the last 19 years
- Prior to joining Dentressangle in 2003 as CFO, Jean-Louis Savoye, served with PwC and ran due-diligence acquisitions in M&A for various Private Equity firms and French leading industrial companies
- Is a graduate of the Toulouse Business School with a major in Finance

Directorships in other listed companies:
Sun Limited

Core competencies:
Finance, accounting, mergers and acquisition, private equity, international business and management, property investment

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' PROFILES CONT'D

XAVIER THIÉBLIN

**Non-Executive Director,
joined the Board in December 2013**

Skills and Experience:

- Joined Société Sucrière de Quartier Français in 1970
- Former Chairman of that group which became a major player of the sugar industry.
- Played important roles in the sectors of sugar and rum, in Réunion Island, Paris and Brussels
- Manages and administers several companies, including OXACO, a family holding which invests in the Indian Ocean and Europe and assumes some professional responsibilities in several enterprises

Directorships in other listed companies:
None

Core competencies:
International business and management, agro-industry, entrepreneurship

JACQUES TOUPAS

**Joined the Board as Alternate Director of
Marc Ladreit de Lacharrière in February 2016**

Skills and Experience:

- Joined Fimalac Group in 2009. Member of its investment team and responsible of the financial portfolio monitoring and investment
- Serves as Board member of various Fimalac Group's subsidiaries
- Former working experience in investment banking, both in Paris and London and started his career at Arthur Andersen in Paris as a financial auditor prior to moving to PwC as a senior auditor and later as a manager in the Transaction Services department
- Worked in private equity as a manager at European Capital

Directorships in other listed companies:
None

Core competencies:
Finance, accounting, audit, private equity, international business management

DIRECTOR APPOINTMENT PROCEDURES

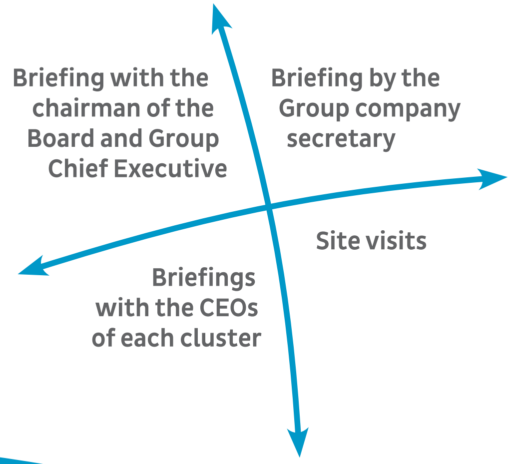
Appointment and Re-Election of Directors/Chairman

STEP 1	• The board charter provides that the directors shall be a natural person of not less than 18 years • It also provides that the Board chairman shall not be older than 75 years old and shall hold office for a period of five years and may, at the term of his office, be re-elected by the Board for a further period of five years or such other term as may be determined by simple majority of the Board • The chairmanship of P. Arnaud Dalais has been renewed until 24 January 2024 • The Corporate Governance, Ethics, Nomination & Remuneration Committee recommends all new appointments on the Board and committees. Skills, knowledge, industry experience, diversity and independence are important factors that are being considered prior to recommending any appointment
STEP 2	• Board approval - The directors have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors so that the total number of directors shall not at any time exceed the number fixed in accordance with the constitution • The director appointed to fill up the vacancy or as an addition to the existing directors shall hold office only until the next following annual meeting of shareholders and shall then be eligible for re-election
STEP 3	• Induction of the directors upon appointment
STEP 4	• Board nomination submitted for approval by the shareholders at Annual Meeting ("AM") • Directors are also re-elected annually at the AM by way of separate resolutions • Directors over the age of 70 are appointed at the AM in accordance with section 138(6) of the Companies Act 2001

CORPORATE GOVERNANCE REPORT CONT'D

INDUCTION OF THE DIRECTORS

The Board assumes its responsibility for the appointment of new directors,as well as their induction through a process which is facilitated by the company secretary. All directors have unrestricted access to the Company's records. There has been no appointment during the financial year under review.



PROFESSIONAL DEVELOPMENT

As part of their duties as directors, it is critical for Board members to have a thorough knowledge of the environment within which the clusters of the Group operate. An investment report is issued to the directors on a quarterly basis; it includes economic updates on countries within which the Group operates, peer review and financial results. No other training was offered to the directors.

SUCCESSION PLANNING

The Board assumes its responsibility for the succession planning of its clusters' leaders, which is a systematic effort and process of identifying and developing candidates for key leadership positions over time to ensure the continuity of management and leadership in an organisation.

The objective of succession planning is to ensure that the organisation continues to operate successfully when individuals occupying critical positions and hard to replace competencies depart. As part of its terms of reference, the Corporate Governance, Ethics, Nomination & Remuneration Committee has reviewed, at a meeting held on 22 June 2022, an updated succession plan for key executives of the Group, including those of the CIEL Head Office.

The succession plan identifies the Top 10 roles as part of a long-term initiative to prepare potential candidates. Incumbents in the current Top 10 roles were consulted for their inputs on succession plan. The committee will track and monitor the progress achieved in the implementation of the succession plan. The successors were identified in 4 categories, namely:

EMERGENCY

The individual is ready to step into the role/job/position in case of an emergency vacancy but may not be the most suitable successor long-term. Typically oversees role for 3-6 months pending permanent replacement.

READY NOW

This indicates that this employee was in the highest level of readiness and could transition into the role with minimal development.

READY C+1

The employee would be ready for the role within the next two to three years and may include one additional role or assignment for development purposes.

READY C+2

The employee will be ready for the role in 3 to 5 years and may include one or two additional roles or assignments for development purposes.

LEGAL DUTIES

Directors are made aware of their legal duties upon their appointment and are reminded of same annually by the company secretary when asked to update the register of interests. Several documents and policies have also been implemented to help them fulfil their roles, namely, the code of ethics, conflict of interest/related party transactions policy, share dealings policy and board charter.

CODE OF ETHICS AND WHISTLE BLOWING POLICY

CIEL has, over the years and since the beginning of the Group in 1912, developed a unique way of doing business. CIEL constantly wants to reaffirm to its stakeholders its strong commitment in doing business ethically and sustainably and believes that ethics start at the top, with its Board, senior management extended to employees of the Group, business partners and other stakeholders. It is in that spirit, that the Board has developed and approved a code of ethics, shared and acknowledged by the employees at the head office.

The code of ethics highlights key areas which CIEL believes are crucial in doing business fairly and ethically, namely:
Business Integrity | Workplace Culture | Data Privacy | Reputation & Goodwill | Environmental & Social Values

Amendments are made to the code of ethics as and when required. The code of ethics includes a whistle blowing mechanism, which is a confidential and anonymous channel for all internal and external stakeholders to express their concerns about any perceived wrong-doings, malpractices or improprieties as defined as follows:

STEP 1

Any person wishing to blow the whistle (on an anonymous basis if so desired) shall report same to the Whistle Blowing Screening Committee comprising of the CIEL Group Risk Officer and a member of the legal team. Alternatively, if the person feels that the Whistle Blowing Screening Committee is not the appropriate forum to receive the complaint, he/she may report same to the Chairman of CIEL's Audit & Risk Committee ("ARC").

STEP 2

The role of the Whistle Blowing Screening Committee is only to screen the complaint, to determine whether the complaint is genuine and worth investigating/actioning. If so, the Whistle Blowing Screening Committee shall forward the complaint to the Chairman of the ARC of CIEL.

STEP 3

The chairman of the ARC of CIEL, upon receiving a complaint, forwards the complaint to the chairman of the relevant cluster's ARC if the complaint concerns a cluster or a business unit, or to the CIEL Group Chief Executive Officer or members of CIEL's ARC, if the complaint pertains to CIEL, who shall, in turn, subject to any applicable law, in their own discretion (i) decide on appropriate actions to be conducted to resolve the issues (ii) channel the complaint to the relevant parties for investigation and (iii) ensure that the necessary investigations are carried out.

A whistle blowing template has been defined by the ARC to enable entities of the Group to record the number, source and type of complaints received on a monthly basis. The template also helps to assess the trend in the number of complaints received, the number of cases under investigation and those resolved.

CORPORATE GOVERNANCE REPORT CONT'D

CONFLICT OF INTERESTS/RELATED PARTY TRANSACTIONS POLICY

Transactions with related parties are disclosed in the financial statements. A Conflict of Interest/Related Party Transactions Policy has been approved by the Board to ensure that the deliberations and decisions made by CIEL are transparent and in the best interests of the Company. It also aims to protect the interests of the oOfficers from any appearance of impropriety and to ensure compliance with statutory disclosures and law. Notwithstanding the above, directors of CIEL are also invited by the company secretary, on an annual basis, to notify the Company of any direct and indirect interest in any transactions or proposed transaction with the Company. Declarations made by the directors are entered in a register which is maintained by the company secretary; same is available for inspection by the shareholders upon written request to the company secretary. The policy was updated during the financial year and is available for consultation on CIEL's website.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

BOARD INFORMATION

The chairman of the Board, with the assistance of the company secretary, ensures that directors receive the necessary information for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

INFORMATION TECHNOLOGY POLICY

CIEL operates an Information Technology Policy using accepted standards (ITIL and COBIT 5) to regulate the use, security standards, control and access rights for the entities of CIEL, hosted at the Company's head office in Ebène. The Information Technology Policy, as approved by the Board, is being monitored and revised as needed by the IT department. The document has been circulated to all the staff using the Information Technology Infrastructure at Company's Head Office in Ebène, and awareness sessions are planned in a timely manner for them to commit to it. Even though each cluster of the Group operates its own IT policy, a Group IT Forum has been launched by CIEL, whereat critical IT-related issues are debated from a Group-wide perspective. For example, CIEL Finance cyber security forum has been extended to all companies of the Group. A budget for information technology and cybersecurity is allocated annually, based on business needs for each financial year. The policy has been updated and is available for consultation on CIEL's website.

EU GENERAL DATA PROTECTIONS REGULATIONS

In compliance with the EU General Data Protection Regulations ("GDPR") and the Data Protection Act 2017, CIEL has approved (i) a Group Data Privacy Policy ("Group Policy") with a view to promoting a privacy culture within the Group and ensuring that all clusters, business units and employees protect the privacy of personal information of individuals in their daily operations; and (ii) a Personal Data Breach Policy to define the methodology for assessing the severity of any potential personal data breach, the escalation process when discovering a breach and the procedures to notify the relevant authorities in the event of a breach. The Group Policy defines the Group's requirements regarding the collection, storage, use, transmission, disclosure to third parties and retention of personal information. The Group Policy is used as a general guideline to the clusters and business units, which remain responsible to adopt their own policies on data privacy to address the specific context of their respective activities without derogating from the core principles. Smita Hurry, Barrister and Senior Corporate Legal Officer at CIEL Head Office, acts as the data protection officer of CIEL.

SENIOR MANAGEMENT TEAM OF CIEL AND CEOS OF CIEL'S SUBSIDIARIES

JEAN-PIERRE DALAIS
Group Chief Executive of CIEL
Refer to Directors' Profiles

GUILLAUME DALAIS
Chief Executive Officer of CIEL Properties
Refer to Directors' Profiles

L. J. JÉRÔME DE CHASTEAUNEUF
Group Finance Director of CIEL
Refer to Directors' Profiles

ERIC DORCHIES
Chief Executive Officer of CIEL Textile

Eric Dorchies is the Chief Executive Officer of CIEL Textile since 1 July 2020. In this capacity, Eric Dorchies also sits on the Board of CIEL Textile Limited ("CTL"). CTL has strategic geographic positioning with manufacturing locations in Mauritius, Madagascar, India and Bangladesh. It is on these three main pillars: "our talents, sustainable development and digitalisation" that CTL will continue to accelerate its transformation. Eric Dorchies has a long-standing career in CTL group which he joined in 1998 as Chief Executive Officer of Consolidated Fabrics Limited. He was appointed Managing Director of Aquarelle Clothing Ltd in 2003 and became the Chief Executive Officer of the woven cluster from 2008 till 2019, instrumental in driving several strategic initiatives for the group bringing it to an international level. More recently, in October 2017, he was appointed CTL's Chief Operations Officer. Eric Dorchies has a solid track record in the textile industry with strong marketing capabilities. Prior to joining CTL, he was leading his own textile company in Europe. He graduated in Business and Finance from ESCP Europe (Ecole Supérieure de Commerce de Paris).

CORPORATE GOVERNANCE REPORT CONT'D

SENIOR MANAGEMENT TEAM OF CIEL AND CEOS OF CIEL'S SUBSIDIARIES CONT'D

FRANCOIS EYNAUD
Chief Executive Officer of SUN Limited

Francois Eynaud is the Chief Executive Officer of SUN since 1 September 2019. Prior to joining SUN, Francois Eynaud was the CEO of Veranda Leisure & Hospitality ("VLH"), managing the Hotels Division of Rogers Group, where he spent 11 years. Before joining VLH, he had spent 14 years with CIEL Textile where he was Executive Director at Tropic Knits. Francois was President of AHRIM (the National Hotel Association) in 2013 and 2014. Prior to returning to Mauritius in 1991, Francois hads worked 7 years at SAGEM France as Export Director, Country Manager in the Caribbean and the UK. He holds a French Business School Diploma (Institut Commercial de Nancy – ICN).

LAKSHMANA BHEENICK
Chief Executive Officer of CIEL Finance

Since 01 March 2021, Lakshmana Bheenick is the CEO of CIEL Finance. He joined Barclays Bank PLC (Mauritius Branch) in March 1996 and held various positions - FX trader, Head Market Making & Liquidity Management, Treasurer. He then moved to Standard Bank (Mauritius) Limited in June 2006 as Head of Global Markets (Treasurer) and was appointed as Chief Executive in July 2010. Lakshmana is a graduate in BA Economics from the University of Manchester and also holds an ACI Dealing Certificate. He holds an Executive Education MIT Sloan School of Management and has also been on a leadership programme with Oxford SAID Business. Former Director and Vice Chairman of the Mauritius Bankers Association (MBA).

HÉLÈNE ECHEVIN
Chief Executive Officer of C-Care (International) Limited

Since 1 July 2019, Hélène Echevin is the Chief Executive Officer of C-Care (International) Limited (formerly known as CIEL Healthcare Ltd) which regroups all our healthcare activities – C-Care (Mauritius), IMG (Uganda) and Hygeia (Nigeria). In this capacity, she is also the Executive Chairman of C-Care (Mauritius) Ltd and sits on the Board of Directors of C-Care (International) Limited. Since joining CIEL in March 2017, she has played a key role developing our healthcare portfolio and leading CIEL's operational excellence journey. Prior to joining CIEL, Hélène Echevin worked for Eclosia Group and Harel Mallac Group and counts 17 years of experience in operations and project management, at both company and group levels. She holds an engineering degree in Food Technology from Polytech, France and completed her academic skills by an executive management program at INSEAD. Hélène Echevin was the first lady President of the Mauritius Chamber of Commerce. She is a member of the board of Maurilait Ltd and MARENA.
She is a board member of Sun Limited and CIEL Textile Limited.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE
A Directors' and Officers' Liability insurance policy has been subscribed by CIEL covering the Company and its subsidiaries.

SHARE DEALING POLICY
Directors ensure that their dealings in the shares of the Company are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors of Listed Companies, as detailed in Appendix 6 of Listing Rules of the SEM. In that spirit, the Board has approved a Share Dealing Policy that reiterates the procedures to provide clear guidance to the Directors, Applicable Employees and Officers of CIEL on the practice to be followed when dealing in shares of the Company to avoid the abuse of price-sensitive information (insider dealing). The policy was updated during the financial year and is available for consultation on CIEL's website.

BOARD EVALUATION
Following a tender exercise, BDO, in association with Board Benchmarking, was selected to perform the board effectiveness survey, which is normally conducted every two/three years. The answers were benchmarked by the international database and CIEL scored a top-quartile 82% board effectiveness index. The consultant tracked the progress achieved on past surveys and the areas where improvements have been most impactful were the deep dives performed on the clusters of the Group (in the presence of their respective CEOs), enhanced strategy discussions and more concise and relevant presentation and board packs. Defined actions have been earmarked for implementation during the financial year ending 30 June 2023, the main ones being a special session of the Board to be organised without the presence of the executive directors and IT risks and breach analysis at subsidiary level to be escalated via its Audit & Risk Committee.

STATEMENT OF REMUNERATION POLICY
The Board has approved a policy that sets the purpose, process, performance measures and quantum for the remuneration of its directors. CIEL strives towards remunerating its directors in a manner that supports the achievements of CIEL's strategic objectives, while attracting and retaining scarce skills and rewarding high levels of performance. The Corporate Governance, Ethics, Nomination & Remuneration Committee determines the adequate remuneration to be paid to the directors. There are no established policies for remunerating executive directors approaching retirement. This will be determined by the Board as and when required.

DIRECTORS' REMUNERATION AND BENEFITS
The following table depicts the fees paid to the Non-Executive Directors for their involvement in the Board and committees during the financial year.

DIRECTORS	Board[3] (MUR)	Audit & Risk Committee[3] (MUR)	Corporate Governance, Ethics, Nomination & Remuneration Committee[3] (MUR)	Investment Committee[4] (MUR)	Total (MUR)
P. Arnaud Dalais (Chairman)[1]	2,371,000	NIL	100,000	50,000	2,521,000
Sébastien Coquard	350,000	NIL	NIL	50,000	400,000
Guillaume Dalais	350,000	NIL	NIL	NIL	350,000
Marc Dalais	350,000	NIL	NIL	NIL	350,000
R. Thierry Dalais	350,000	NIL	100,000	75,000	525,000
Pierre Danon	400,000	200,000	150,000	50,000	800,000
Roger Espitalier Noël	350,000	NIL	NIL	NIL	350,000
M. A. Louis Guimbeau	350,000	200,000	NIL	NIL	550,000
J. Harold Mayer	350,000	NIL	NIL	NIL	350,000
Marc Ladreit de Lacharrière	350,000	NIL	NIL	NIL	350,000
Catherine McIlraith	400,000	350,000	NIL	NIL	750,000
Jean-Louis Savoye[2]	350,000	NIL	NIL	NIL	350,000
Xavier Thiéblin	350,000	NIL	100,000	NIL	450,000

Note 1: The Chairman of the Board also received travelling allowance of MUR 1.47M in addition to the above
Note 2: Payment to Di Cirne Holding Ltd
Note 3: Fixed remuneration only
Note 4: Variable remuneration (attendance fee)

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' REMUNERATION AND BENEFITS CONT'D

Non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

The executive directors of CIEL are remunerated by CIEL Corporate Services Ltd (a wholly owned subsidiary of CIEL), with which CIEL holds an agreement for the provision of combined corporate services and strategic support. The remuneration and benefits paid to the executive directors are made up of a basic pay and an incentive scheme linked to (i) market capitalisation growth with an annual high watermark principle, (ii) annual ordinary dividend pay-out and (iii) Group profit after tax. The main objective of the scheme is to motivate the executives towards increasing the total value of the Company and reward them for the creation of long-term value. This bonus is payable partly in cash and partly in ordinary shares, out of the treasury shares held by the Company.

For the financial year ended 30 June 2022, the remuneration and benefits received, or due and receivable to the executive directors amount to MUR 58.7M. The remuneration of the executive directors has not been disclosed individually due to its commercially sensitive nature.

The chairman of the Board is not entitled to an incentive scheme.

RISK GOVERNANCE AND INTERNAL CONTROL

RISK MANAGEMENT

The Board has the ultimate responsibility for risk governance and internal control systems as well as determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, while ensuring that an appropriate risk culture has been embedded throughout the Group. CIEL's Enterprise Risk Management ("ERM") has been designed to facilitate the identification, assessment and mitigation of the inherent business risks to which the Company is exposed, while providing reasonable assurances pertaining to compliance with regulatory obligations, reliability of financial information and safeguarding of assets under management. The ERM is not intended to eliminate such risks but can be considered as an adequate protection against material misstatement or loss which might result from adverse events. The ERM governance structure and identification of the key risks for the Company and how they are managed are detailed in the Risk Report.

REPORTING WITH INTEGRITY

Since 2017, CIEL has adopted the integrated reporting format to provide additional and transparent information to its stakeholders. It has been developed following the guidelines of the International Integrated Reporting Council ("IIRC"). The annual report provides key information - considered material at Group level - to understand and assess the governance, performance, and strategy of our Group and its six clusters. More in-depth information can be found in each company's annual report.

The directors affirm their responsibilities in preparing the annual report and the financial statements of the Company and its subsidiaries which comply with International Financial Reporting Standards and the Mauritius Companies Act 2001. The Board also considers that taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders and other stakeholders to assess CIEL's position, performance and outlook. Please refer to the Statement of Directors' Responsibilities.

CHARITABLE AND POLITICAL CONTRIBUTIONS

*Includes CSR donations which have been channeled to CIEL Foundation, registered as a special purpose vehicle

	THE COMPANY	SUBSIDIARIES
	2022 MUR'000	2022 MUR'000
Charitable*	2,526*	20,672
Political	-	-

SUSTAINABILITY

The journey of implementing and operationalising CIEL's sustainability strategy for 2020-2030 is premised on i) an evidence-based approach to baseline-setting and creation of action plans, as well as ii) the continuous alignment of and support to clusters to achieve the Group's targets. The ongoing initiative of Group carbon accounting, using sciencebased targets and enhancement of CIEL's climate strategy illustrates its commitment to delivering concrete and measurable actions. Furthermore, leveraging the strong interconnection and expertise within the network of sustainability champions, working groups are being established to develop solutions and build on synergies at a Group level.

STAKEHOLDER AND COMMUNITY ENGAGEMENT

CIEL aims at constantly engaging its internal and external stakeholders on sustainability topics. The Corporate and Regulatory Affairs (CoRA) department was established at CIEL Head Office to structure CIEL's engagement with the media, regulators, government, and the communities where it operates. The Group is also reinforcing the dialogue and collaboration with key existing stakeholders around strategic sustainability topics such as renewable energy notably with Donor Financial Institutions (DFIs) and inclusive development with Business Mauritius.

CIEL's sustained engagement with the community through the CIEL Foundation was demonstrated by the continuation of all long-term programs and the return to pre-covid levels of funding. CIEL Foundation emphasised the support to educational programs and mental health for teenagers, as both aspects have been severely impacted by the pandemic, and the empowerment program for vulnerable women.

At cluster level, the nexus between employee engagement and community support remains a key focus, specifically centered on the themes of poverty alleviation, education, reforestation, and the environment.

GO BEYOND GENDER INITIATIVE

Launched in August 2020, with a view to build a culture throughout the Group where everyone's skills are valued and acknowledged equally, regardless of their gender, CIEL's investment in the Go Beyond Gender Initiative is also a testimony of the Group's commitment to delivering structural changes.

A distinctive modus operandi was employed to build this initiative, combining a detailed Group diagnostic exercise including the benchmarking of our processes and pay structure, with several cycles of medium to large-scale stakeholders' engagement sessions. These sessions were designed to collect feedback and build ownership across most of the territories where CIEL operate. Three clear objectives have been defined: i) bridge the pay gap by end 2025, ii) identify and train a cohort of 100 women at management level to bring them to top management or leadership roles by end 2025 and iii) all sites / clusters to set procedures towards a women-friendly working environment by end 2023.

DISABLED EMPLOYABILITY PROGRAM

Embedded in CIEL's sustainability strategy, diversity and ethics are key for fostering a vibrant workforce. CIEL Foundation is coordinating a project to enhance the employability of differently abled people based on a collaborative approach in partnership with a renowned NGO namely, the Global Rainbow Foundation. The first pilot program at Sun Resorts, having received positive feedback, will be the foundation for replicating and scaling up the project across the Group.

CORPORATE GOVERNANCE REPORT CONT'D

AUDIT

EXTERNAL AUDIT

PricewaterhouseCoopers ("PwC") is the external auditor of CIEL. PwC was appointed as auditors of the Group, in replacement of BDO & Co, at the annual meeting of shareholders held in December 2017 and has been re-appointed auditors by the shareholders of CIEL at the annual meetings held in December 2018 to 2021. Significant audit issues are discussed at the Audit & Risk Committee, which are reported under the Key Audit Matters in the auditors' report. Furthermore, critical policies, judgements and estimates are brought to the attention of the members and discussed with the auditors during Audit & Risk Committees, especially when the audited accounts of the Company and Group are tabled for consideration.

The Audit & Risk Committee regularly meets the auditors in the presence of management since it has no impact on the objectivity of the meeting. It has considered that if the need arises, they will meet the auditors without management. The fees paid to the auditors for audit and other services for the financial year are described under Other Statutory Disclosures. The non-audit services provided by the auditors relate mainly to tax computation, compliance and transaction advisory. Hence, the objectivity and independence of the auditors are safeguarded since the teams involved are not the same as the one providing audit services. The Board is satisfied that the members of the Audit & Risk Committee have financial expertise to fulfil their duties and that they have effectively discharged their responsibilities during the year under review according to their terms of reference.

INTERNAL AUDIT

The internal auditor reports to the Audit & Risk Committee ("ARC") and maintains an open and constructive line of communication with management. EY continues to provide internal audit services to the Group reporting to the ARCs at subsidiary level on an outsourced basis. EY also performs assignments for CIEL following an approved audit plan. The Group's internal audit function uses a risk-based methodology.

The ARC is kept fully up to date with the internal audit function's activities through comprehensive reports that include the internal audit findings and recommendations, management comments and regular status updates During the year in review, EY fulfilled its duties with the support and cooperation of the management and staff whilst having unlimited access to the Company's records.

The internal audit function adds value to the Group by helping management answer the following key questions related to the areas reviewed by the internal auditors:

- What risks are we exposed to?
- How effective are our controls in containing the key risks?
- What are the root causes of the control gaps observed?
- What do we need to do to better contain these risks?
- How can we make better use of what we have?
- How can we do things better?
- How can we build resilience?
- How do we compare to others?
- What are the leading practices we could adopt?

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

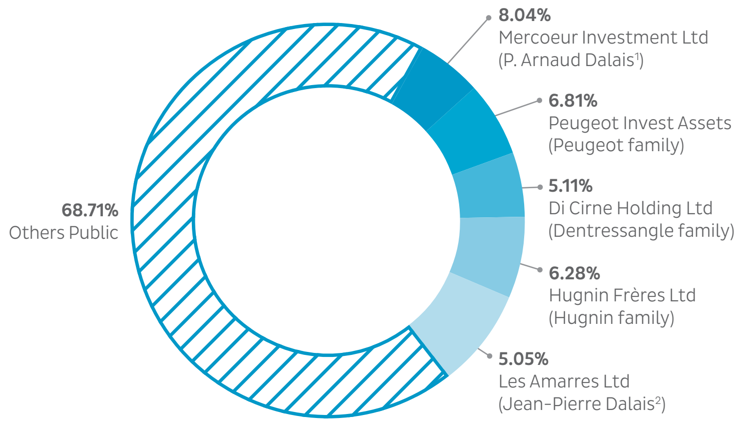
SHAREHOLDING STRUCTURE/CASCADE HOLDING STRUCTURE

As at 30 June 2022, CIEL had in issue (i) 1,689,901,209 Ordinary Shares (of which 2,341,211 were held as treasury shares) and (ii) 3,008,886,600 Redeemable Restricted A Shares ("RRAS").

SHAREHOLDING STRUCTURE AT 30 JUNE 2022

Based on 1,687,559,998 ordinary shares issued (excluding treasury shares), Ordinary shares represented 35.93% of the total voting rights of CIEL (Ordinary + RRAS).

Direct Shareholders holding > 5% of the Ordinary Shares

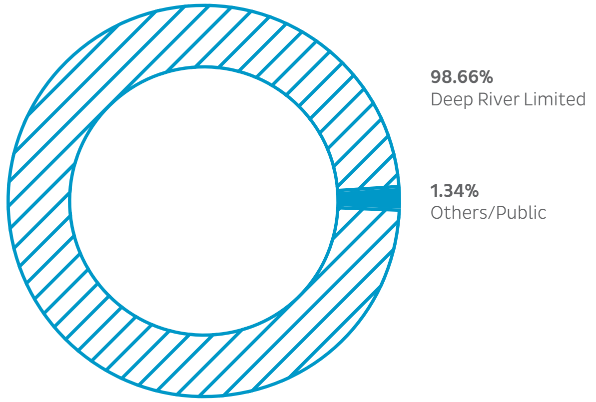


Note 1: P. Arnaud Dalais also holds shares directly and indirectly bringing his total shareholding in CIEL to 8.06% of the ordinary shareholding.

Note 2: Jean-Pierre Dalais also holds shares directly and indirectly bringing his total shareholding in CIEL to 5.52% of the ordinary shareholding.

Based on 3,008,886,600 RRAS – RRAS represented 64.07% of the total voting rights of CIEL (Ordinary + RRAS).

Direct Shareholders holding > 5% of RRAS



Note: Deep River Limited is controlled by Deep River Holding Limited (a family holding enterprise).

Ordinary Shares
Hold voting rights/Listed on the Stock Exchange of Mauritius/ Entitled to Dividends

35.93% ↓ Ciel

RRAS
Hold voting rights/Not listed on the Stock Exchange of Mauritius/ Not Entitled to Dividends

64.07% ↓ Ciel

CORPORATE GOVERNANCE REPORT CONT'D

COMMON DIRECTORS WITHIN THE HOLDING STRUCTURE AS AT 30 JUNE 2022

DIRECTORS	Mercoeur Investment Ltd	Peugeot Invest Assets	Hugnin Frères Ltd	Di Cirne Holding Ltd	Les Amarres Ltd	Deep River Ltd	Deep River HoldingLtd
P. Arnaud Dalais	Chairman					Chairman	Chairman
Sébastien Coquard		Nominee					
Guillaume Dalais	Director					Director	Director
Jean-Pierre Dalais					Director	Director	Director
Marc Dalais						Director	Director
R. Thierry Dalais						Director	Director
M. A. Louis Guimbeau						Director	
Roger Espitalier Noël			Director			Director	Director
Jean-Louis Savoye				Nominee			
Xavier Thiéblin						Director	

SHARES IN PUBLIC HANDS

In accordance with the Listing Rules of the SEM, more than 25% of the shareholding of CIEL is in the hands of the public.

DIRECTORS' INTERESTS IN THE SHAREHOLDING OF CIEL AS AT 30 JUNE 2022

	Direct No of Ordinary Shares	Indirect No of Ordinary Shares
P. Arnaud Dalais	401,754	135,684,980
Sébastien Coquard	Nil	Nil
Guillaume Dalais	647,560	135,678,449
Jean-Pierre Dalais	1,494,488	91,623,173
Marc Dalais	15,315,520	Nil
R. Thierry Dalais	Nil	38,819,460
Pierre Danon	Nil	1,049,138
L. J. Jérôme De Chasteauneuf	1,009,215	11,064,698
Roger Espitalier Noël	Nil	2,308,600
M. A. Louis Guimbeau	8,414,000	Nil
Marc Ladreit De Lacharrière	Nil	50,263,138
J. Harold Mayer	3,517,694	Nil
Catherine McIlraith	Nil	Nil
Jean-Louis Savoye	Nil	Nil
Xavier Thiéblin	Nil	36,963,500
Alternate Director		
Jacques Toupas	Nil	Nil
Transactions during the Year	**Direct No of Shares**	**Indirect No of Shares**
P. Arnaud Dalais	-	506,520
Jean-Pierre Dalais	57,431	667,120
Guillaume Dalais	43,700	500,000
L. J. Jérôme De Chasteauneuf	57,431	Nil
Roger Espitalier Noël	Nil	64,686
M. A. Louis Guimbeau	(1,586,000)	Nil

CORPORATE GOVERNANCE REPORT CONT'D

DIRECTORS' INTERESTS IN THE SHAREHOLDING OF CIEL AS AT 30 JUNE 2022 CONT'D

The Following Directors Hold Shares In Deep River Limited:

Shareholding as at 30 June 2022	Direct No of Redeemable B Shares	Indirect No of Redeemable B Shares
M. A. Louis Guimbeau	40,000,000	Nil
Xavier Thiéblin	Nil	124,946,000

The Following Directors Hold Shares In Deep River Holding Limited:

Shareholding as at 30 June 2022	Direct No of Redeemable Shares	Indirect No of Redeemable Shares
P. Arnaud Dalais	-	460,852,228
Jean-Pierre Dalais	-	271,817,780
Marc Dalais	56,336,464	-
R. Thierry Dalais	-	155,277,840
Roger Espitalier Noël	-	3,694,200

SHAREHOLDERS' AGREEMENTS

Following a private placement which was completed in May 2014, the Company entered into shareholders' agreements with some of the main strategic investors to provide amongst other things some usual reserved matters, seats on Board and sub-committees of the Board and tag along rights.

RELATED PARTIES' AGREEMENTS

- CIEL holds an agreement with CIEL Corporate Services Ltd ("CCS") (CIEL Head Office) for the provision of strategic support & Group strategy harmonisation, legal, company secretarial and payroll services to the companies of the Group. Amount paid to CCS for the financial year ended 30 June 2022 - MUR 60.1M.
- CIEL holds a treasury agreement with Azur Financial Services Ltd (a subsidiary of CIEL) for the provision of cash management services, treasury advisory services and foreign exchange & money market brokerage services to the Group. CIEL pays a fixed monthly fee for the cash management together with a variable fee, based on the volume of intercompany transactions processed by Azur Financial Services Ltd for the Group. Amount paid to Azur Financial Services Ltd for the financial year ended 30 June 2022 – MUR 1.0M.
- CIEL holds an agreement with Deep River Ltd ("DRL") for the provision of strategic support & Group strategy. Amount paid to CCS for the financial year ended 30 June 2022 - MUR 710k.

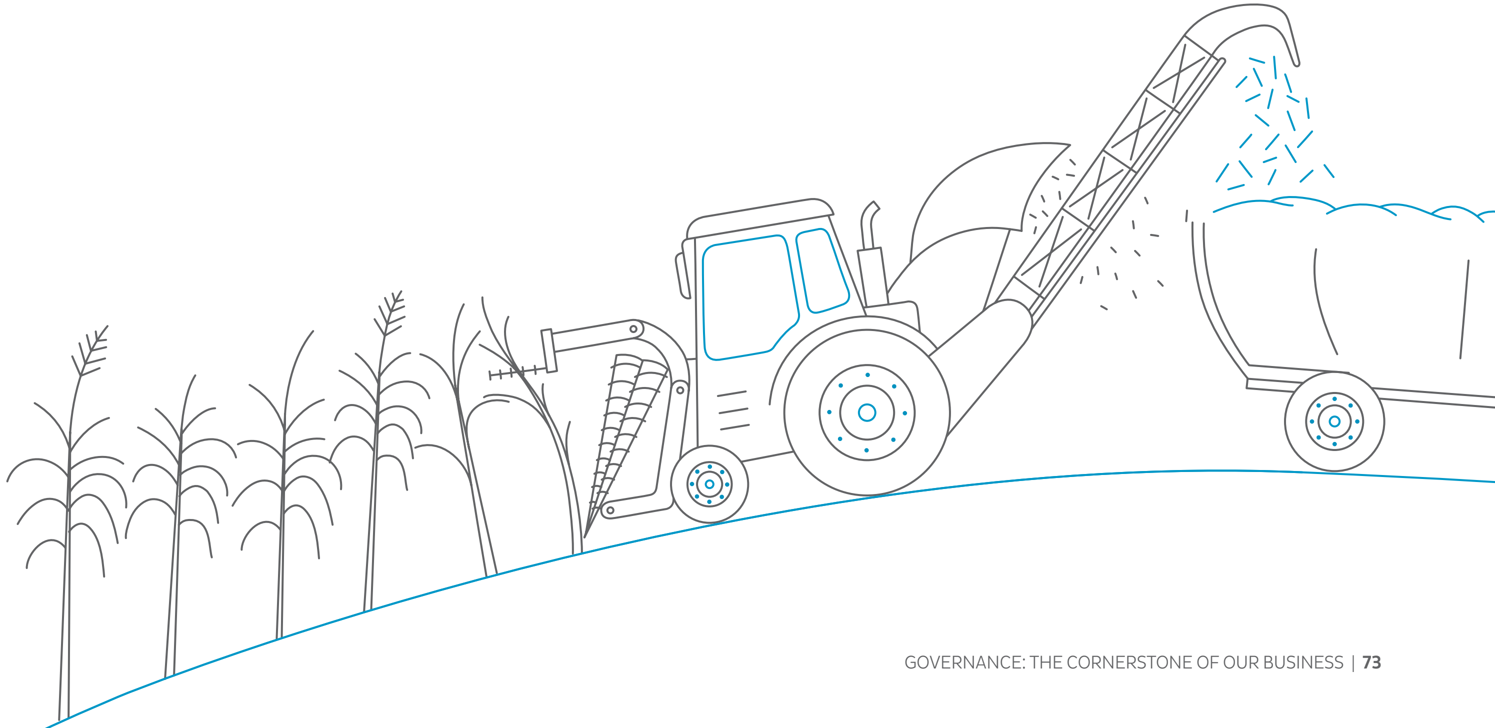
DIVIDEND

Board Approval Date	Dividend per Share (MUR)
29 September 2021	0.05
29 June 2022	0.16

The Board has decided that henceforth the dividend would be declared once annually in June. Policy - A minimum of 75% of net profits after tax of the Company, depending on the cash flow and financial needs.

KEY STAKEHOLDERS' COMMUNICATION

The Board of CIEL is committed to promoting an open and transparent communication with its stakeholders to ensure that they receive the correct and adequate information while upholding trustworthy relationships with them. It tries to maintain an ongoing dialogue with its shareholders by keeping them abreast of all material business developments that influence the Group in a transparent and timely manner through various communication channels. In addition to official press announcements and occasional press conferences, CIEL's website provides for an adapted and comprehensive self-service interface. CIEL also communicates via different social media platforms. CIEL understands the importance of a transparent communication to its stakeholders and as such, has developed a website which provides a good presentation of its activities, leadership, governance, initiatives etc. We invite you to consult CIEL's website: **www.cielgroup.com**



CORPORATE GOVERNANCE REPORT CONT'D

KEY STAKEHOLDERS' COMMUNICATION CONT'D

CIEL's key stakeholders and the way it has responded to their expectations are described below:

SHAREHOLDERS

The Board considers the annual meeting as an important corporate event and shareholders are encouraged to attend to express their views and receive feedback from Board members directly on the Group's financial performance and strategic directions. In case a shareholder cannot attend, votes can still be cast on all resolutions through completion of the proxy form/postal vote. Notices of annual meetings are sent to the shareholders within the prescribed delay imposed by law and are also published in the press. The annual integrated report, which includes the notice of annual meeting, may also be viewed on the Company's website. The Company also publishes, on a quarterly basis, a financial review document together with its unaudited abridged financial statements. This document provides a detailed review on the clusters of the Group to facilitate the understanding of the financial results. Additionally, CIEL strives to promote dialogue through analysts' meetings which are conducted twice yearly with a presentation of the financial statements being made by the executives of the Group.

FINANCIAL AND STRATEGIC PARTNERS

Communication with financial institutions and the financial community in general usually takes place through investor meetings. The main recurring topic of discussion is financial performance. The presentation made to financial analysts is also posted on CIEL's website.

REGULATORS, GOVERNMENT AND PUBLIC AUTHORITIES

CIEL's business activities are conditional on regulatory requirements meaning that regulators have a high level of influence and interest in the Company's operations. The Company ensures at all times that it complies with regulatory provisions and guidelines in the conduct of its activities.

EMPLOYEES OF THE GROUP

CIEL recognises that its workforce is key to its performance and development. It has over the years and since its beginnings in 1912, developed a unique way of doing business. Based on international ethical standards and a strong value system, the Group has grown to become a Mauritian-based international investment Group. CIEL believes that ethics start at the top, with its Board of Directors, senior management and extend to all its employees, business partners and other stakeholders through 3 core values which are:

- Excellence at Core
- People at heart
- Ethical and Sustainable.

CIEL's Code of Ethics highlights key areas which it believes are crucial in doing business fairly and ethically:

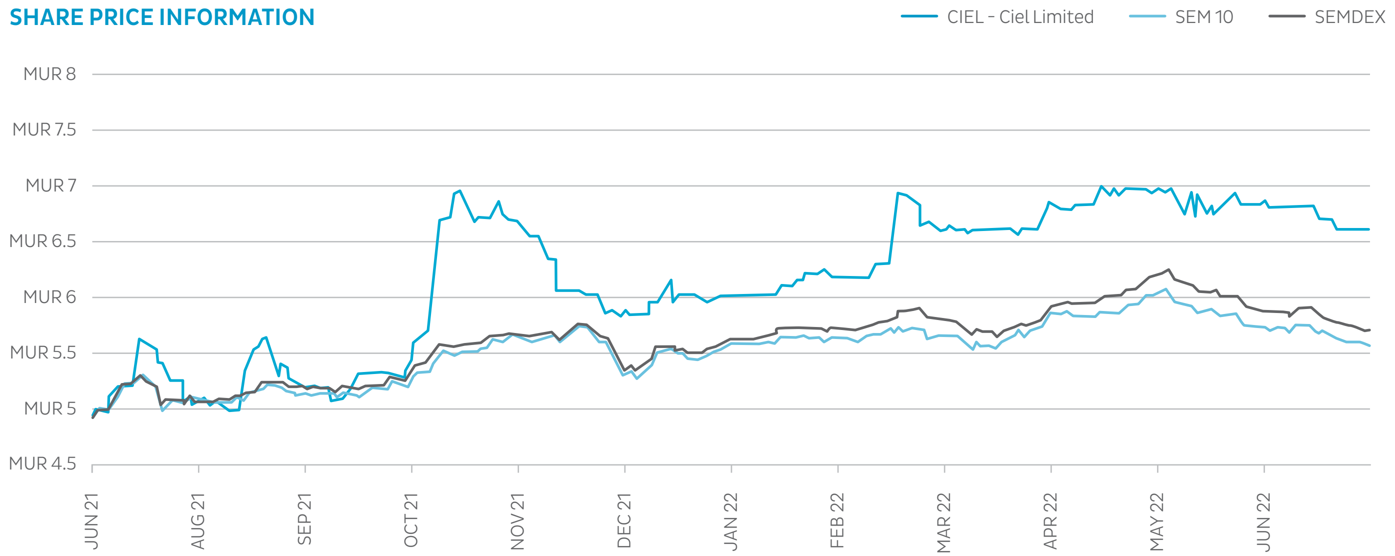
- Business Integrity
- Workplace Culture
- Data Privacy
- Reputation & Goodwill
- Environmental & Social Values

SHAREHOLDERS' INFORMATION AND CALENDAR OF EVENTS

The shareholders were convened at the annual meeting on 20 December 2021. The notices, including the agenda are published in the press in line with statutory requirements and are posted on CIEL's website. All resolutions proposed were passed by the requisite majority. Shareholders were allowed a question time.

Event	Month
Financial year end	June
Annual Meeting of shareholders	December
Declaration/payment of dividend (conditional to approval by the Board)	June/July
Publication of first quarter results	November
Publication of half-yearly results	February
Publication of third quarter results	May
Publication of full year results	September

SHARE PRICE INFORMATION



This report has been approved by the Board upon recommendation of the Corporate Governance, Ethics, Nomination & Remuneration Committee.

P. Arnaud Dalais
Chairman of the Board

Catherine McIlraith
Director

Clothilde de Comarmond, ACG
Group Company Secretary
For and on behalf of CIEL Corporate Services Ltd

29 September 2022

OTHER STATUTORY DISCLOSURES

(SECTION 221 OF THE MAURITIUS COMPANIES ACT 2001)

PRINCIPAL ACTIVITY AND HISTORY

CIEL Limited, formerly known as Deep River Investment Limited, incorporated on 31 August 1948, is a public company listed on the Official Market of the SEM since 4 February 2014. On 24 January 2014, CIEL Investment Limited was amalgamated with and into Deep River Investment Limited ("DRI"). DRI, as surviving company post Amalgamation, was renamed CIEL Limited.
CIEL is also registered as a Reporting Issuer with the Financial Services Commission since the promulgation of the Securities Act 2005. CIEL is an investment holding company, with investments in six distinct business sectors:

Ciel Textile
Ciel Finance
Ciel Healthcare
Ciel Hotels & Resorts
Ciel Properties
Ciel Agro

DIRECTORS' SERVICE CONTRACTS

The executive directors are remunerated by CIEL Corporate Services Ltd, a subsidiary of CIEL, with no expiry terms to their terms and conditions of their employment. The persons who held office as directors of CIEL as at 30 June 2022 are disclosed in the corporate governance report.

SHAREHOLDING PROFILE

OWNERSHIP BY SIZE OF SHAREHOLDING	Ordinary Shares		
	Shareholder Count	Number of Shares	Percentage Held
1 - 500	1,081	197,670	0.0117
501 - 1,000	306	245,596	0.0146
1,001 - 5,000	710	1,835,928	0.1088
5,001 - 10,000	369	2,723,106	0.1614
10,001 - 50,000	757	19,033,818	1.1279
50,001 - 100,000	258	18,450,577	1.0933
100,001 - 250,000	318	49,692,494	2.9446
250,001 - 500,000	114	40,108,511	2.3767
500,001 and above	240	1,555,272,298	92.1610
Total	**4,153**	**1,687,559,998**	**100**

OWNERSHIP BY CATEGORY OF SHAREHOLDING	Ordinary Shares		
CATEGORY	Shareholder Count	Number of Shares	Percentage Held
Individuals	3,675	533,949,781	31.6403
Insurance and Assurance companies	19	71,730,561	4.2505
Investment and Trust companies	85	390,251,796	23.1252
Pensions and Provident funds	79	181,842,574	10.7755
Other Corporate Bodies	295	509,785,286	30.2084
Total	**4,153**	**1,687,559,998**	**100**

The above number of shareholders is indicative due to consolidation of multi portfolios for reporting purposes.
The total number of active shareholders as at 30 June 2022 was 4,179.

DIRECTORS OF SUBSIDIARIES

Directors of subsidiaries as at 30 June 2022 are listed under Annexure A.

RETIREMENT BENEFIT OBLIGATIONS

The details of the total amount of provisions booked or otherwise recognised by the Company are provided in the financial statements.

MAJOR TRANSACTIONS

CIEL did not enter into any major transaction as defined under the Companies Act 2001 during the financial year under review.

DIRECTORS' REMUNERATION AND BENEFITS

The table below depicts the total directors' remuneration and benefits paid to the Executive and Non-Executive Directors of CIEL for the financial year ended 30 June 2022.

	The Company	Subsidiaries
	2022 MUR'000	2022 MUR'000
Directors of the Company		
Executive Directors	-	58,744
Non-Executive Directors	9,566	6,155

AUDIT FEES AS AT 30 JUNE 2022

The fees paid by the Company to the auditors for audit and other services for the financial year are depicted in the table below:

	2022 MUR'000
Local External Auditors:	
Audit Fees	1,957
Other Fees	891
Foreign External Auditors:	
Audit Fees	-
Other Fees	-

Note 1: The fees in respect of other services pertain mainly to review of tax computation

RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in detail in the financial statements.

CONTRACT OF SIGNIFICANCE

There were no contracts of significance subsisting during or at the end of the year in which a Director of the Company is or was materially interested, either directly or indirectly.

SHARE REGISTRY & TRANSFER OFFICE

CIEL's Share Registry and Transfer Office is administered by MCB Registry & Securities Ltd. If you have any queries regarding your shares, wish to change your name or address, or have questions about lost certificates, share transfers or dividends, you may contact either your Investment Dealer or the Share Registry and Transfer Office, whose contact details are as follows:
MCB Registry & Securities Ltd - Ground Floor, Raymond Lamusse Building, 9/11 Sir William Newton Street, Port Louis
Tel: +230 202 5640

On Behalf of the Board

P. Arnaud Dalais
Chairman of the Board

Catherine McIlraith
Director

29 September 2022

STATEMENT OF COMPLIANCE

(SECTION 75 (3) OF THE FINANCIAL REPORTING ACT 2004)

Name of Public Interest Entity ("PIE"):	CIEL Limited ("CIEL"/"the Company")
Reporting Period:	30 June 2022

On behalf of the Board of Directors of CIEL, we confirm, to the best of our knowledge, that throughout the financial year ended 30 June 2022 and to the best of the Board's knowledge, the Company has partially complied with the obligations of the National Code of Corporate Governance for Mauritius (2016).

The area of non-compliance, whose reasons are included in the Corporate Governance Report, is as follows, namely:
• Principle 4 – Remuneration of Directors

P. Arnaud Dalais
Chairman of the Board

Catherine McIlraith
Director

29 September 2022

CERTIFICATE FROM THE COMPANY SECRETARY

In our capacity as Company Secretary of CIEL Limited ("the Company"), we hereby confirm that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies as at 30 June 2022, all such returns as are required for a company in terms of the Mauritius Companies Act 2001, and that such returns are true, correct and up to date.

Clothilde de Comarmond, ACG
Group Company Secretary
For and on behalf of CIEL Corporate Services Ltd

29 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare Financial Statements in accordance with International Financial Reporting Standards ("IFRS") for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company.

The directors confirm that, in preparing the Financial Statements, they have to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State that IFRS have been adhered to, subject to any material departures being disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.
- Ensure application of the Code of Corporate Governance ("Code") and provide reasons in case of non-application with the Code.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Company to enable them to ensure that the Financial Statements comply with the Mauritius Companies Act 2001, IFRS and the Financial Reporting Act 2004.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Board of directors on 29 September 2022.

P. Arnaud Dalais
Chairman of the Board

Catherine McIlraith
Director

CORPORATE INFORMATION

COMPANY SECRETARY	WEBSITE
CIEL Corporate Services Ltd 5th Floor, Ebène Skies Rue De L'institut, Ebène Republic Of Mauritius Tel: +230 404 2200 Fax: + 230 404 2201	www.cielgroup.com **BUSINESS REGISTRATION NUMBER** C06000717
REGISTRAR & TRANSFER OFFICE	**EXTERNAL AUDITOR**
If you are a shareholder and have queries regarding your account, wish to change your name and address, or have questions about lost certificates, share transfers or dividends, please contact our Registrar & Transfer Office: MCB Registry & Securities Ltd 2nd Floor, MCB Centre 9-11 Sir William Newton Street, Port Louis Republic of Mauritius Tel: +230 202 5397 Fax: +230 208 1167	PricewaterhouseCoopers Ltd 18 Cybercity, Ebène, Réduit 72201 Republic of Mauritius
REGISTERED OFFICE	**INTERNAL AUDITOR**
5th Floor, Ebène Skies Rue de l'Institut, Ebène Republic of Mauritius Tel: +230 404 2200 Fax: +230 404 2201	Ernst & Young 9th Floor, NeXTeracom Tower I, Cybercity Ebène Republic of Mauritius
MAIN BANKERS	**LEGAL ADVISERS**
The Mauritius Commercial Bank Ltd	Me. Thierry Koenig SA – ENSafrica (Mauritius)
Bank One Limited	Me. Maxime Sauzier SC– ENSafrica (Mauritius)
	NOTARY
	Etude Montocchio – d'Hotman

MEASURING OUR PERFORMANCE

A good set of figures drive the business, but behind the impressive figures are the right people making the right decisions at the right time. Our teams demonstrate every day their commitment in the most challenging macro environment and understand the importance to adapt the Group to the global pace of change.

CIEL Finance has championed innovations and harnessed technology to streamline operations and give their clients the best user experience.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of CIEL Limited (the "Company") and its subsidiaries (together the "Group") and of the Company standing alone as at 30 June 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

CIEL Limited's consolidated and separate financial statements set out on pages 84 - 89 comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CIEL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
COMPANY	
Valuation of investments in subsidiaries, joint ventures, associates and other financial assets. The Company carries its investments in subsidiaries, joint ventures, associates and other financial assets at fair value in its separate financial statements. As disclosed in notes 12, 13, 14 and 15 of the financial statements, the Directors apply different approaches to estimating the fair values of the investments. The valuation of the Company's investments held at fair value was a key area of audit focus owing to the magnitude, the estimation uncertainties in the assumptions, and the degree of judgement required from the Directors, particularly in this context of economic uncertainty.	For the more judgemental valuations, which may depend on unobservable inputs, we evaluated the assumptions, methodologies and models used by the Company. We performed an independent valuation of a sample of positions, in order to assess whether management's valuations were within a reasonable range of outcomes in the context of the inherent uncertainties disclosed in the financial statements. We also involved our valuation experts to review the appropriateness of the methodologies used in the context of the relevant investment securities held.
GROUP	
Determination of the expected credit loss on loans and advances carried at amortised cost The Group applied IFRS 9 'Financial Instruments' which requires the recognition of Expected Credit Losses ('ECL') on its financial instruments. As explained in note 45 of the financial statements, the ECL impairment model required the use of complex models and significant assumptions about future economic conditions and credit behaviour, particularly for the Group's banking segment, which mainly consists of BNI Madagascar SA – the Bank. The Directors exercised significant judgement in respect of: (a) Accounting interpretations, modelling assumptions and data used to build the ECL model. (b) Allocation of assets to stages 1, 2 and 3 using criteria in accordance with IFRS 9, including the triggers for an asset moving between stages.	With the assistance of our internal experts: (a) We obtained an understanding and tested the relevant controls relating to the approval of credit facilities, subsequent monitoring and remediation of exposures and key system reconciliations. (b) We critically assessed the methodology applied to determine the PD, LGD and EAD used to compute the ECL against the prerequisites of IFRS 9 and the Bank's internal policies. (c) We challenged the appropriateness of the parameters and significant assumptions, including forward-looking information, incorporated into the ECL model, by benchmarking these against independent external sources. (d) We analysed the assets of the Bank in stages 1, 2 and 3, on a sample basis, to assess if they were allocated to the appropriate stage in line with the Bank's set criteria.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
GROUP **Determination of the expected credit loss on loans and advances carried at amortised cost (Continued)** (c) Identification of instruments that have experienced a significant increase in credit risk. (d) Assumptions used in the ECL model to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"). (e) Appropriateness of the economic scenarios determined by management, the probability weights assigned to each, and the inputs and assumptions used to estimate their impact. (f) Incorporation of forward-looking information of reflecting potential future economic events in the ECL model. It should be highlighted that additional subjectivity has been introduced into the measurement of ECL due to the heightened uncertainty associated with the current economic outlook and the path of recovery of the economy from the COVID-19 pandemic. Due to the significance of the portfolio of financial instruments and the significant estimates and judgement applied in the determination of expected credit losses, this was considered to be a key audit area.	(e) We agreed a sample of critical data elements used as input to determine the PD, LGD and EAD to relevant source documentation. (f) We performed risk-based substantive testing of the ECL model by independently re-building certain assumptions and comparing the ECL output of the Bank to our own calculated expectations as determined by applying the Bank's model methodology to the underlying data. (g) We assessed the adequacy of the financial statement disclosures against the requirements of IFRS 9 to ensure that these appropriately reflect the Bank's credit risk exposures.
GROUP **Impairment of goodwill** As disclosed in note 11 of the financial statements, the Group has goodwill amounting to MUR 1.3Bn (2021: MUR 1.3Bn) for which it has concluded that no impairment exists as of 30 June 2022 (2021: Nil).	As part of our planning procedures, we obtained an understanding of the key controls relating to the review process. We also obtained the Directors' assessment of the recoverable amounts of the different CGUs.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CIEL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
GROUP **Impairment of goodwill (Continued)** The Directors assessed the recoverable amount of the goodwill using a discounted cash flow model to determine the recoverable amount of the cash generating unit (CGU) to which the goodwill relates. This requires the use of a number of key assumptions and judgements, including the estimated future cash flows, long-term growth rates, profitability levels and discount rates applied. This was an area of focus considering the significance of the amounts involved and the level of judgement and estimation required from the Directors.	We assessed the validity of the assumptions used in the cash flow models by comparing these assumptions to our independently derived expectations, based on independent external market data and forecasts. This included specific consideration to the expected rate of recovery of passenger numbers subsequent to the lifting of travel restrictions in the recent months. In order to address management bias in the forecasted cash flows, the budgeted figures of the CGUs that were used in the previous year were back tested to the actual experience. We also considered the reasonably possible changes in key assumptions, including making allowance for the near-term weaker trading for the impact of Covid-19, specifically for the Hotels & Resorts segment. Terminal growth rates have been assessed for reasonableness based on market expected long-term growth rates. In order to determine the reasonableness of the discount rates, the rates used in the cash flow models (on a sample basis) were compared to a range of discount rates independently calculated by us, with the support of our internal valuation experts, based on the markets in which the CGU operate and taking into account the nature of the CGUs. We also verified the mathematical accuracy of the models. We assessed whether appropriate disclosures were made by the Directors in the financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

KEY AUDIT MATTERS (CONT'D)

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
GROUP **Valuation of land and buildings (See note 9(a) of the financial statements)** As at 30 June 2022, the Group had land and buildings amounting to MUR 22Bn (2021: MUR 20Bn) included as part of its property, plant and equipment in the consolidated statement of financial position of which MUR 16Bn (2021: MUR 14Bn) related to the Hotels & Resorts segment. The fair value gain recorded in the current financial period amounts to MUR 2.5Bn (2021: MUR 1.2Bn) which includes an amount of MUR 2.1Bn (2021: MUR 946m) for the Hotels & Resorts segment. It is the Group's policy that land and buildings are stated at fair value based on periodic valuations, conducted by an independent external valuer, less subsequent depreciation and impairment for buildings. The fair value was determined in line with IFRS 13 to which certain valuation methods are subscribed to determine the fair value. The fair values are computed by an external valuer using the factual information and professional judgement concerning market conditions and factors impacting the individual properties. The valuation of land and buildings for the Hotels & Resorts segment was considered to be a key audit matter due to its significance on the consolidated financial position and also due to the fact that it is inherently subjective as it involves a number of significant estimates and judgement which might materially affect the carrying value of the revalued assets. Please refer to note 2.2 of the financial statements for details on these estimates and judgements.	We evaluated the design effectiveness of the Group's key controls to address the risk over the valuation of land and buildings. We assessed the competence, experience, independence and integrity of the external valuation experts. We assessed the appropriateness of the valuation methodology used by the external valuers for determining the fair value of land and buildings of the Group by comparing it to similar valuations in the market. We discussed and challenged key inputs and assumptions used by the external valuers, paying particular attention to the level of judgement applied as a result of Covid-19. With the assistance of our valuation experts, we assessed the reasonableness of the fair values attributed to the different properties of the Group and the significant assumptions used by the external independent valuer in this exercise by benchmarking against relevant available industry data related to the increase in construction costs and inflation. We evaluated whether disclosures in the financial statements relating to the fair value of land and buildings were in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CIEL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the corporate governance report, the other statutory disclosures (section 221 of the Mauritius Companies Act 2001), the statement of compliance, the statement of directors' responsibilities in respect of the preparation of the financial statements, the certificate from the company secretary and the risk report but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and other reports, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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 not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CIEL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CIEL LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

MAURITIAN COMPANIES ACT 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditor and tax advisor of the Company and some of its subsidiaries;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

MAURITIAN FINANCIAL REPORTING ACT 2004

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

OTHER MATTER

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Robert Coutet,
licensed by FRC

29 September 2022

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		MUR' 000	MUR' 000	MUR' 000	MUR' 000
Revenue	4	28,524,594	17,868,627	585,934	367,508
Earnings before interest, tax, depreciation, amortisation, impairments, and fair value gain on investment property	5(a)	5,084,147	2,407,739	484,827	269,668
Depreciation and amortisation	7(c)	(1,390,316)	(1,300,835)	-	-
Earnings before interest, tax, impairments, and fair value gain on investment property		3,693,831	1,106,904	484,827	269,668
Expected credit losses	7(b)	(474,343)	(286,145)	-	-
Fair value gain on investment property	10	185,052	959,638	-	-
Finance costs	6	(923,053)	(1,294,966)	(144,702)	(140,134)
Finance income	6	71,884	20,071	571	576
Share of results of associates and joint ventures	7(d)	431,901	267,304	-	-
Profit before income tax		2,985,272	772,806	340,696	130,110
Income tax (expense)/credit	35	(544,560)	(79,548)	340	(407)
Profit for the year from continuing operations		2,440,712	693,258	341,036	129,703
Loss from discontinued operations	46	(286,721)	(247,381)	-	-
Profit for the year		2,153,991	445,877	341,036	129,703
Profit attributable to:					
Owners		1,300,087	617,391	341,036	129,703
Non-controlling interests		853,904	(171,514)	-	-
		2,153,991	445,877	341,036	129,703

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022 (CONT'D)

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the year (Cont'd)		2,153,991	445,877	341,036	129,703
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Share of other comprehensive income of associates and joint ventures	7(d)	(23,287)	48,381	-	-
Gain on revaluation of land and buildings	9	2,460,803	1,175,801	-	-
Deferred income tax on gain on revaluation of land and buildings	30(d)	(386,766)	(112,166)	-	-
Remeasurements of post-employment benefit obligations	31	11,074	299,442	-	-
Deferred income tax on remeasurements of post-employment benefit obligations	30(d)	(4,464)	(37,562)	-	-
Change in the fair value of equity instruments at fair value through other comprehensive income	12-15	26,658	87,193	5,427,916	5,419,624
Loss on disposal of equity instruments at fair value through other comprehensive income		-	(6,292)	-	(6,292)
Items that may be reclassified to profit or loss:					
Currency translation differences		(47,988)	246,623	-	-
Cash flow hedges		563,289	(414,761)	-	-
Deferred income tax on cash flow hedges	30(d)	(5,927)	(1,398)	-	-
Share of other comprehensive income of associates and joint ventures	7(d)	(21,528)	(9,823)	-	-
Other comprehensive income for the year, net of tax		2,571,864	1,275,438	5,427,916	5,413,332
Total comprehensive income for the year		4,725,855	1,721,315	5,768,952	5,543,035
Total comprehensive income for the year attributable to:					
Owners		2,531,590	1,401,210	5,768,952	5,543,035
Non-controlling interests		2,194,265	320,105	-	-
		4,725,855	1,721,315	5,768,952	5,543,035
Total comprehensive income for the year attributable to owners arises from:					
Continuing operations		5,012,576	1,978,198	5,768,952	5,543,035
Discontinued operations		(286,721)	(256,883)	-	-
		4,725,855	1,721,315	5,768,952	5,543,035
Basic and diluted earnings per share from continuing operations (MUR)	8	0.94	0.45	0.20	0.08
Basic and diluted earnings per share (MUR)	8	0.77	0.37	0.20	0.08

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR' 000	THE COMPANY 2022 MUR' 000	THE COMPANY 2021 MUR' 000
Non-current assets					
Property, plant and equipment	9	25,495,000	23,219,610	-	-
Right-of-use assets	16	3,098,620	2,811,241	-	-
Investment properties	10	3,614,242	2,741,592	-	-
Intangible assets	11	1,383,612	1,468,778	-	-
Investments in subsidiary companies	12	-	-	23,510,805	18,243,634
Investments in joint ventures	13	2,454,248	1,979,279	162,466	89,908
Investments in associates	14	3,954,923	3,984,327	185,087	227,040
Investments in other financial assets	15	465,083	459,852	25,806	25,011
Loans and advances to customers	22	11,284,467	6,810,443	-	-
Investments in securities	24	4,192,295	3,753,001	-	-
Other receivables	17	81,680	49,258	-	-
Deferred income tax assets	30	350,723	419,361	-	-
		56,374,893	47,696,742	23,884,164	18,585,593
Current assets					
Inventories	18	5,130,675	3,744,853	-	-
Trade and other receivables	19	8,417,548	5,611,912	556,977	318,783
Derivative financial instruments	42	236,641	74,380	-	-
Loans and advances to customers	22	12,997,190	13,057,670	-	-
Investments in securities	24	2,142,954	2,455,016	-	-
Current income tax assets	35	110,163	150,951	39	-
Cash and cash equivalents	20	12,701,634	9,931,175	12,325	6,797
		41,736,805	35,025,957	569,341	325,580
Assets classified as held for sale	21	59,331	1,403,473	-	-
		41,796,136	36,429,430	569,341	325,580
TOTAL ASSETS		98,171,029	84,126,172	24,453,505	18,911,173

These financial statements have been approved for issue by the Board of Directors on 29 September 2022.

P. ARNAUD DALAIS
Chairman of the Board

CATHERINE McILRAITH
Director

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022 (CONT'D)

	Notes	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR' 000	THE COMPANY 2022 MUR' 000	THE COMPANY 2021 MUR' 000
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	25	5,141,302	5,140,994	5,141,302	5,140,994
Redeemable restricted A shares	26	39,233	39,233	39,233	39,233
Retained earnings		4,293,631	3,159,723	2,413,965	2,427,311
Revaluation, fair value and other reserves	27	5,443,334	4,341,291	13,499,202	8,071,758
Convertible bonds	27(b)	2,812,392	2,264,792	-	-
		17,729,892	14,946,033	21,093,702	15,679,296
Less treasury shares	25	(14,460)	(14,624)	(14,460)	(14,624)
Owners' interest		17,715,432	14,931,409	21,079,242	15,664,672
Non-controlling interests		8,667,888	7,253,727	-	-
Total equity		26,383,320	22,185,136	21,079,242	15,664,672
Non-current liabilities					
Borrowings	29	10,075,946	11,106,822	2,604,635	2,984,635
Lease liabilities	16	3,206,216	3,014,504	-	-
Deferred income tax liabilities	30(c)	1,841,764	1,359,649	-	-
Retirement benefit obligations	31	692,487	726,013	-	-
Deposits from customers	37	273,282	8,990	-	-
Provisions for other liabilities and charges	32	54,467	62,421	-	-
Other payables and deferred revenue	33	126,166	179,218	-	-
		16,270,328	16,457,617	2,604,635	2,984,635
Current liabilities					
Borrowings	29	9,996,996	8,242,810	465,353	218,718
Lease liabilities	16	258,047	250,659	-	-
Trade and other payables	34	11,704,636	7,058,016	34,265	43,067
Derivative financial instruments	42	66,610	92,691	-	-
Deposits from customers	37	32,819,728	29,079,209	-	-
Current income tax liabilities	35	110,170	60,889	-	81
Provisions for other liabilities and charges	32	84,831	38,673	-	-
Dividend payable	36	270,010	-	270,010	-
Other payables and deferred revenue	33	195,926	99,715	-	-
		55,506,954	44,922,662	769,628	261,866
Liabilities directly associated with assets classified as held for sale	21	10,427	560,757	-	-
		55,517,381	45,483,419	769,628	261,866
TOTAL LIABILITIES		71,787,709	61,941,036	3,374,263	3,246,501
TOTAL EQUITY AND LIABILITIES		98,171,029	84,126,172	24,453,505	18,911,173
Net asset value per share (MUR)	8	10.50	8.85	12.49	9.28

These financial statements have been approved for issue by the Board of Directors on 29 September 2022.

P. ARNAUD DALAIS
Chairman of the Board

CATHERINE McILRAITH
Director

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022

THE GROUP	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserve	Revaluation and other reserves	Retained earnings	Convertible bonds	Total	Non controlling interest	Total equity
		Attributable to owners										
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 01 July 2021		5,140,994	39,233	(14,624)	472	121,781	4,219,038	3,159,723	2,264,792	14,931,409	7,253,727	22,185,136
Profit for the year		-	-	-	-	-	-	1,300,087	-	1,300,087	853,904	2,153,991
Other comprehensive income for the year		-	-	-	-	20,347	1,211,156	-	-	1,231,503	1,340,361	2,571,864
Total comprehensive income for the year		-	-	-	-	20,347	1,211,156	1,300,087	-	2,531,590	2,194,265	4,725,855
Reclassification of revaluation reserve on transfer of property, plant and equipment to investment property		-	-	-	-	-	(243,653)	243,653	-	-	-	-
Disposal of assets classified as held for sale		-	-	-	-	-	51,616	-	-	51,616	45,718	97,334
		-	-	-	-	-	(192,037)	243,653	-	51,616	45,718	97,334
Transactions with owners in their capacity as owners												
Redemption of shares		-	-	-	-	-	-	-	-	-	(101,659)	(101,659)
Change in ownership interest that do not result in loss of control		-	-	-	-	-	-	65,284	-	65,284	(135,232)	(69,948)
Employee share option scheme	25	308	-	164	(472)	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	(354,382)	-	(354,382)	(550,202)	(904,584)
Movement of reserves on re-organisation		-	-	-	-	-	-	35,883	-	35,883		35,883
Issue of convertible bonds	27(b)	-	-	-	-	-	-	-	547,600	547,600	-	547,600
Interest on convertible bonds		-	-	-	-	-	-	(38,928)	-	(38,928)	(38,729)	(77,657)
Other banking movements		-	-	-	-	-	63,049	(63,049)	-	-	-	-
Other movements		-	-	-	-	-	-	(54,640)	-	(54,640)	-	(54,640)
Total transactions with owners		308	-	164	(472)	-	63,049	(409,832)	547,600	200,817	(825,822)	(625,005)
Balance at 30 June 2022		5,141,302	39,233	(14,460)	-	142,128	5,301,206	4,293,631	2,812,392	17,715,432	8,667,888	26,383,320

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022 (CONT'D)

THE GROUP	Notes	Attributable to owners										
		Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserve	Revaluation and other reserves	Retained earnings	Convertible bonds	Total	Non controlling interest	Total equity
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 01 July 2020, as restated		5,139,579	39,233	(18,005)	5,268	53,989	3,483,705	2,579,186	-	11,282,955	7,330,803	18,613,758
Profit for the year		-	-	-	-	-	-	617,391	-	617,391	(171,514)	445,877
Other comprehensive income for the year		-	-	-	-	67,792	629,195	86,832	-	783,819	491,619	1,275,438
Total comprehensive income for the year		-	-	-	-	67,792	629,195	704,223	-	1,401,210	320,105	1,721,315
Transfer of reserve on disposal of equity investments at fair value through other comprehensive income to retained earnings	(iii)	-	-	-	-	-	65,978	(65,978)	-	-	-	-
Transactions with owners in their capacity as owners												
Issue of shares		-	-	-	-	-	-	-	-	-	45,797	45,797
Change in ownership interest that do not result in loss of control		-	-	-	-	-	-	(719)	-	(719)	719	-
Employee share option scheme	25	1,415		3,381	(4,796)	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	(446,888)	(446,888)
Unclaimed dividends written back		-	-	-	-	-	-	1,225	-	1,225	-	1,225
Issue of convertible bonds	27(b)	-	-	-	-	-	-	-	2,264,792	2,264,792	-	2,264,792
Other movements		-	-	-	-	-	40,160	(58,214)	-	(18,054)	3,191	(14,863)
Total transactions with owners		1,415	-	3,381	(4,796)	-	40,160	(57,708)	2,264,792	2,247,244	(397,181)	1,850,063
Balance at 30 June 2021		5,140,994	39,233	(14,624)	472	121,781	4,219,038	3,159,723	2,264,792	14,931,409	7,253,727	22,185,136

Other movements are mainly made up of:

(i) Statutory reserve which comprises the accumulated annual transfer of 15% of the net profit for the year in line with Article 41 of Ordinance n° 88-005 dated 15th April 1988 pertaining to the regulations applicable to the banking sector in Madagascar.

(ii) Movements in the General Banking Reserve is at the discretion of BNI Madagascar and the shareholders choose to increase the reserve by the profit for the year net of dividends payable and the amount transferred to statutory reserve.

Movement in reserves of joint venture are made up of:

(i) Statutory reserve movement which comprises the accumulated annual transfer of 15% of the net profit for the year of Bank One Ltd in line with Section 21(1) of the Mauritian Banking Act 2004.

(ii) General Banking reserve movement which comprises of provisions in line with the Bank of Mauritius macroprudential guidelines.

The notes on pages 88 to 179 form an integral part of these financial statements.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022

THE COMPANY	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserves	Retained earnings	Total equity
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 1 July 2021		**5,140,994**	**39,233**	**(14,624)**	**472**	**8,071,286**	**2,427,311**	**15,664,672**
Profit for the year		-	-	-	-	-	**341,036**	**341,036**
Other comprehensive income for the year		-	-	-	-	**5,427,916**	-	**5,427,916**
Total comprehensive income for the year		-	-	-	-	**5,427,916**	**341,036**	**5,768,952**
Transactions with owners in their capacity as owners								
Employee share option scheme	25	**308**	-	**164**	**(472)**	-	-	-
Dividends		-	-	-	-	-	**(354,382)**	**(354,382)**
Total transactions with owners of parent		**308**	-	**164**	**(472)**	-	**(354,382)**	**(354,382)**
Balance at 30 June 2022		**5,141,302**	**39,233**	**(14,460)**	-	**13,499,202**	**2,413,965**	**21,079,242**

THE COMPANY	Notes	Stated capital	Redeemable Restricted A shares	Treasury shares	Share appreciation rights and other scheme	Fair value reserves	Retained earnings	Total equity
		MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Balance at 1 July 2020		5,139,579	39,233	(18,005)	5,268	2,651,662	2,302,675	10,120,412
Profit for the year		-	-	-	-	-	129,703	129,703
Other comprehensive income for the year		-	-	-	-	5,419,624	(6,292)	5,413,332
Total comprehensive income for the year		-	-	-	-	5,419,624	123,411	5,543,035
Transactions with owners in their capacity as owners								
Employee share option scheme	25	1,415	-	3,381	(4,796)	-	-	-
Unclaimed dividends written back		-	-	-	-	-	1,225	1,225
Total transactions with owners of parent		1,415	-	3,381	(4,796)	-	1,225	1,225
Balance at 30 June 2021		5,140,994	39,233	(14,624)	472	8,071,286	2,427,311	15,664,672

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED 30 JUNE 2022

	Notes	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
		MUR' 000	MUR '000	MUR' 000	MUR '000
Cash flows from operating activities					
Cash generated from operations	38	3,688,900	2,405,842	237,829	(9,566)
Interest paid		(850,077)	(910,642)	(145,340)	(139,987)
Interest received		71,884	20,071	572	576
Tax paid	35	(347,745)	(364,082)	220	(770)
Net cash generated from/(used in) operating activities		2,562,962	1,151,189	93,281	(149,747)
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)	9(a)	(1,176,219)	(788,746)	-	-
Purchase of investments in joint venture	13	(29,051)	(50,000)	-	(50,000)
Purchase of other financial assets	15	(13,904)	(3,912)	-	-
Purchase of intangible assets	11	(46,872)	(32,652)	-	-
Proceeds from disposal of assets held for sale		453,687	-	-	-
Proceeds from disposal of PPE		13,032	1,652,131	-	-
Proceeds from disposal of investment property		18,624	48,270	-	-
Proceeds from redemption of shares	15(a)	32,074	-	129,345	-
Dividends received from associates	14	167,968	156,005	-	-
Dividends received from joint ventures	13	84,000	-		
Proceeds from disposal of associated companies	14(f)	1,112	25,101	-	-
Proceeds from disposal of financial assets		-	1,095	-	-
Proceeds from disposal of intangible assets		237	-		
Investment in other assets		(54,029)	(3,595)	-	-
Net cash (used in)/generated from investing activities		(549,341)	1,003,697	129,345	(50,000)

The notes on pages 88 to 179 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

YEAR ENDED 30 JUNE 2022 (CONT'D)

	Notes	THE GROUP		THE COMPANY	
		2022	2021	2022	2021
		MUR' 000	MUR '000	MUR' 000	MUR '000
Cash flow from financing activities					
Proceeds from borrowings		5,988,408	6,947,926	-	504,117
Repayment of borrowings		(5,409,241)	(8,561,619)	-	(450,000)
Repayments of principal element of leases	16	(239,241)	(204,389)	-	-
Proceeds from convertible bonds	27(b)	547,600	2,264,792	-	-
Dividends paid to non-controlling interests		(432,474)	(407,897)	-	-
Acquisition of interests in subsidiary company	12	-	-	-	(54,018)
Issue of shares to non-controlling interest		-	45,797	-	-
Redemption of capital minority stakes (CIEL Heathcare Ltd & CIEL Finance Ltd)		(101,659)	-		
Dividends paid to parent	36	(84,372)	-	(84,372)	-
Dividends paid to executives		(4,000)	-	-	-
Net cash from/(used in) financing activities		265,021	84,610	(84,372)	99
Increase/(Decrease) in cash and cash equivalents		2,278,642	2,239,496	138,254	(199,648)
Movement in cash and cash equivalents					
At 1 July		9,191,978	6,884,244	(173,999)	25,649
Exchange differences		80,818	68,238	-	-
Increase/(decrease)		2,278,642	2,239,496	138,254	(199,648)
At 30 June	39(b)	11,551,438	9,191,978	(35,745)	(173,999)

The notes on pages 88 to 179 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

On 24 January 2014, CIEL Investment Ltd was amalgamated with and into Deep River Investment Ltd (DRI). The surviving company has subsequently been renamed CIEL Limited.

CIEL 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 5th Floor, Ebène Skies, Rue de L'Institut, Ebène, Republic of Mauritius.

Its main activity is to provide long term growth and dividend income for distribution to investors.

CIEL Limited invests in a diversified portfolio of equity and equity related investments in six strategic sectors namely textile, agro, property, hotels and resorts, finance and healthcare.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. BASIS OF ACCOUNTING

2.1 Basis of preparation

(a) Statement of compliance

The consolidated financial statements of CIEL Limited are prepared in compliance with the Mauritius Companies Act 2001 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB'). The financial statements are also prepared in line with interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and any other regulatory requirements.

(b) Historical cost convention

The financial statements are prepared on a going concern basis and include the consolidated financial statements of the parent company and its subsidiary companies (the Group) and the separate financial statements of the parent company (the Company). The financial statements are prepared under the historical cost convention except for:

Company - Investments in subsidiaries measured at fair value through other comprehensive income ('FVOCI')
Investments in associates measured at FVOCI
Investments in joint ventures measured at FVOCI
Investments in other financial assets measured at FVOCI

Group - Land and buildings at fair value
Investment properties at fair value
Derivative financial instruments at fair value through profit or loss ('FVPL')

Where necessary the comparative figures have been amended to conform with change in presentation of the current year.

(c) Going concern

The Board of Directors has made an assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have the resources to continue in business for the foreseeable future. Furthermore, Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on the going concern basis.

The Company

The Company has made a profit of **MUR 341M** (2021: MUR130M) for the year ended 30 June 2022 and its total assets exceed its total liabilities by **MUR 21Bn** (2021: MUR 16Bn).

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(c) Going concern (Cont'd)

The Company (Cont'd)

Whilst its total current liability exceeds its current assets by **MUR 200M** (2021: Net current assets of MUR 64M), the Company has undrawn facilities and money market line amounting to MUR 330M to meet its liabilities in the foreseeable future, if required.

The Group

The Group has made a profit of **MUR 2Bn** (2021: MUR 0.4Bn) for the year ended 30 June 2022 and its total assets exceed its total liabilities by **MUR 26Bn** (2021: MUR 22Bn).

The total current liability exceeds the current assets by **MUR 13Bn** (2021: MUR 11Bn), arising principally from the normal operations of BNI Madagascar SA ('the Bank') in the banking segment of the Group, whereby the current liabilities exceed the current assets by **MUR 13Bn** (2021: MUR 9Bn).

The Bank has major deposits with customers which are demand and savings deposits and are therefore classified as current in the Group's financial statements. The Bank has been making profits and distributed dividends in the current year. The Bank had a capital adequacy ratio of **10%** as at 30 June 2022 (2021: 10.05%) which is well above the minimum capital requirement of 8% as required per the Central Bank of Madagascar.

As detailed in note 45(c), the Bank has in place an adequate liquidity risk management framework, which ensures that:

(a) Cash flow is managed to ensure a balanced inflow and outflow of funds on any one specific day and;

(b) The Bank maintains an adequate stock of liquid assets to ensure that it has sufficient store of value, which can be utilised in the event of an unexpected outflow of funds.

The Bank's current assets comprise mainly of loans and advances, which cannot exceed the deposits from customers – the ratio of loans and advances under current assets to deposits from customers under current liabilities stood at 40% which is relatively conservative.

Based on the above, the Board of Directors is satisfied that the Group has the resources required to meet its liabilities in the foreseeable future.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of CIEL Limited and its subsidiaries as at 30 June 2022.

Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and could affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group 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 Group has less than a majority of the voting or similar rights of an investee, it 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
- The Group's voting rights and potential voting rights

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(d) Basis of consolidation (Cont'd)

The Group re-assesses whether 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group 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 the subsidiaries to bring their accounting policies into 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 ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value, unless significant influence is maintained, in which case, the investment will be accounted for using the equity method of accounting.

(e) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency") and rounded to the nearest thousand (MUR '000). The consolidated financial statements are presented in Mauritian Rupees, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash-flow hedges and qualifying net investment hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from that of the presentation currency of the Company, are translated as follows:

(a) assets and liabilities are translated at the closing rate at the reporting date;

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(e) Foreign currencies (Cont'd)

(b) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) the resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. In the event of disposal of a foreign operation, exchange differences are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(f) Earnings before interest, tax, depreciation, amortisation, impairments and fair value gain on investment property

Earnings before interest, tax, depreciation, amortisation, impairments and fair value gain on investment property is stated after adding to earnings before interest, tax, depreciation and amortisation, the significant impairment charges incurred on the Group's assets, and fair value gain on investment property during the year. The Directors make use of this measure to monitor the operational performance of the Group as they deem that it shows the underlying performance of the Group more accurately.

(g) Earnings before interest, tax, impairments and fair value gain on investment property

Earnings before interest, tax, impairments and fair value gain on investment property stated after adding to earnings before interest and tax, the significant impairment charges incurred on the Group's assets and fair value gain on investment property during the year.

(h) Financial assets and liabilities

Measurement methods

The Group and the Company classify their financial assets as subsequently measured at either amortised cost or fair value depending on the Group's and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flow; and
- the contractual terms of the financial asset represent contractual cash flow that are solely payments of principal and interest.

Amortised cost and effective interest rate

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

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (Cont'd)

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e., its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVPL);
- Amortised cost.

The classification requirements for debt and equity instruments are described below.

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (Cont'd)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

(i) the Group's business model for managing the asset; and

(ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.
- All financial assets not classified as amortised cost or FVOCI as described above are classified as FVPL and held at fair value. This includes all derivative financial assets. On initial recognition, the Group may irrevocably elect to designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. This election is made on an individual instrument basis.
- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss when the Group's and/or the Company's right to receive the return is established, unless such instrument is designated in a hedging relationship.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows; that is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (Cont'd)

Debt instruments (Cont'd)

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

(i) the Group transfers substantially all the risks and rewards of ownership, or

(ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;

(ii) Is prohibited from selling or pledging the assets; and

(iii) Has an obligation to remit any cash it collects from the assets without material delay.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net trading income' line in the statement of profit or loss.

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(h) Financial assets and liabilities (Cont'd)

Expected credit losses

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The credit risk note provides more detail of how the expected credit loss allowance is measured.

(i) Impairment of non-financial assets

The carrying amounts of assets are assessed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value-in-use, to determine, the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. The impairment loss is recognised as an expense immediately, unless the asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(j) Borrowing costs

All borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

(k) Provisions

Provisions are recognised when the Group and/or the Company have a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated. Provisions are determined by discounting the expected future cash flows are a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(l) Government grants

Government grants are recognised if it is reasonably certain that the related conditions will be satisfied and the grants will actually be received. Grants for the purchase of non-current assets (asset-related grants) are deducted from the historical cost of the assets in question and reduce future depreciation. Grants in respect of wages obtained under the government wage assistance scheme are accounted for in the statement of profit or loss in the period to which the wages relate.

(m) COVID-19 Levy

The COVID-19 Levy is contingent on the entity earning chargeable income in the current year and is recognised in profit or loss when and if a chargeable income arises. It is calculated as the lower of the government grant received under the wage assistance scheme in 2020 and 2021 and 15% of the chargeable income of the current year, less any amount already refunded to the authorities in 2020 and 2021.

2. BASIS OF ACCOUNTING (CONT'D)

2.1 Basis of preparation (Cont'd)

(n) Convertible bonds

During the financial year ended 30 June 2021, the hotel and resorts segment of the Group contracted with the Mauritius Investment Corporation Ltd ("MIC"), a wholly owned subsidiary of the Bank of Mauritius, the issue of redeemable convertible bonds. The Group has accounted for the convertible bonds as equity on initial recognition on the following basis:

- The issuer has the unconditional right to avoid paying cash, and if the principal of the bonds is converted to ordinary shares, these will be converted by exchanging a fixed notional for a fixed number of shares, and any potential variability would serve to maintain the relative economic rights of the shareholders and the subscriber, resulting in no violation of the 'fixed for fixed' requirement. Hence, the Group deems that the principal component can be classified under equity.
- The bonds bear a fixed interest rate (the contractual interest and penalty-interest rates are both fixed) and can be considered to be predetermined because it only varies over time. As a result, the Group determines that such an instrument meets the 'fixed for fixed' condition whereby each unit of the convertible bond converts into a fixed number of shares and hence the instrument can be treated as equity.

The bonds are initially measured based on the subscription proceeds received net of transaction costs, without subsequent remeasurement.

(o) Cost of sales and operating expenses

Cost of sales comprises direct material and labour costs but also indirect costs that can be directly attributed to generating revenue. These are included in profit or loss.

Operating expenses relate to indirect costs of operations accounted on the accruals basis.

(p) Earnings per share (EPS)

(i) Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group and Company;
- by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's 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 disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that requires a material adjustment to the carrying amount of assets and liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements and 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. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's control and are reflected in the assumptions if and when they occur.

2. BASIS OF ACCOUNTING (CONT'D)

2.2 Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Impairment of goodwill and non-current assets

Management has assessed the recoverable amounts, as at 30 June 2022 and 2021, of cash generating units (CGUs) to which goodwill has been allocated and CGUs that have indicators for impairment. Note 11 sets out the CGUs to which goodwill has been allocated for impairment testing purposes.

The recoverable amount of CGUs is determined based on their value-in-use or their fair value less costs to disposal, if any. The value-in-use has been determined via future net cash flows based on the budget for the next 12 months as a starting point. Cash flow projections of 3 to 10 years have been considered and discounted at an appropriate discount rate and added to the estimated discounted terminal value. The determination of the cash flow projections, discount rates and terminal values entails significant assumptions made by management of the effects of uncertain future events on those assets at the reporting date. Refer to Note 9 and Note 11 for impairment assessment of PPE and impairment of goodwill respectively.

(ii) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of treasury bills that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Refer to note 31 for further details.

(iii) Convertible bonds

During the year ended 30 June 2022, SUN Group received additional funding from the Mauritius Investment Corporation ("MIC"), as per the terms and conditions disclosed in note 27(b) to the financial statements.

Significant accounting judgement has been applied by the Directors in the determination of the appropriate accounting policy, and legal representation has been obtained by the Directors with regards to certain clauses within the contract, which are disclosed in note 27(b).

(iv) Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value is determined based on independent valuation by valuers who make use of valuation methods, depending on the type of asset being revalued. Such methods depend on a variety of assumptions which are further disclosed in notes 9 and 10.

During the financial year ended 30 June 2022, a revaluation gain of MUR 2.2Bn, of which MUR 1.8Bn is attributable to the Hotel and Resort segment, was recognised. The Directors of the Group deemed the depreciated replacement cost approach to be the most suitable valuation technique for the leasehold land improvements, buildings and site improvements of the Hotel segment as compared to other techniques such as the income approach and the market comparable approach. The most significant input into this method of valuation is the replacement cost per square metre.

2. BASIS OF ACCOUNTING (CONT'D)

2.2 Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(iv) Revaluation of property, plant and equipment and investment properties (Cont'd)

A revaluation gain of MUR 185M has been recognised on investment properties during the financial year ended 30 June 2022. Most of the revaluation gain, being MUR 170M, has been recognised on the land owned by a subsidiary of the Property segment. Hence, the Directors of the Group deemed the residual method of valuation to be the most suitable valuation technique. The most significant input into this method of valuation is the estimated possible revenue of the developable land and the net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services.

(v) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Group and the Company using valuation techniques including third party transactions values, earnings, net asset value or discounted cash flows, whichever is appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to notes 12, 13, 14 and 15 for further details.

Determination of fair value

The fair value of publicly traded securities in an active market is based on:

- Their market value which is calculated by reference to the Stock Exchange - quoted prices at the close of business at the end of reporting period;
- Quoted prices plus premium; or
- Recent transaction price.

In assessing the fair value of unquoted investments or quoted securities in an inactive market, the Group uses a combination of discounted cash flow, price to book, earnings multiple, net asset base, dividend yield basis and volume weighted average price method. The valuation policy is summarised below:

- 50% stake or more in investee companies – Net asset value, price earnings multiple or discounted cash flow and volume weighted average price method.
- Less than 50% stake in investee companies - earnings multiple
- Property investee companies - net asset basis whereby properties are revalued on a regular basis on their open market value
- Investments in new ventures are valued at cost for the first year less any impairment loss recognised to reflect irrecoverable amounts except if there has been significant change till year end
- Investment entities - net asset basis
- Banking sector - mix of price to book and price earnings ratios or dividend discounting model as appropriate
- Recent transaction price, where applicable

(vi) Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

2. BASIS OF ACCOUNTING (CONT'D)

2.2 Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(vii) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the operations; and the costs and business disruption required to replace the leased asset. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects the assessment of reasonable certainty. During the financial years ended 30 June 2022 and 30 June 2021, no option has been exercised and hence, no reassessment has been performed.

(viii) Determining whether forecast sales are highly probable

The Group is exposed to foreign currency risk, most significantly to the Euro, Pound Sterling and US Dollar, as the Group's sales are denominated in these currencies. The Group hedges these exposures by entering into foreign currency loans ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies.

To apply hedge accounting, a condition is that the forecast transaction must be "highly probable". The Group has applied judgement in assessing whether the forecasted foreign currency revenue remain "highly probable", still expected to occur or is no longer expected to occur, particularly in light of the decline in expected bookings patterns resulting from the Covid-19 pandemic and the related suspension of the operations of the Group. In making this assessment, the Group has considered the most recent budgets and plans, including the Covid-19 scenario.

(ix) Recoverability of deferred income tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The outcome of their actual utilisation may be different.

(x) Measurement of the expected credit loss allowance

The IFRS 9 impairment requirements are based on an expected credit loss model. Madagascar's (Banking Subsidiary of CIEL Finance Limited referred to as 'The Bank') accounting policy for impairment of financial assets is listed below.

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

(i) Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

(ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

2. BASIS OF ACCOUNTING (CONT'D)

2.2 Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(x) Measurement of the expected credit loss allowance (Cont'd)

(iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since the initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Bank uses its internal credit risk grading system, external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. IFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. In the case of debt instruments measured at FVOCI, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Bank recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the statement of financial position. Further details have been disclosed in note 45.

(xi) Provision for slow-moving inventories

The Directors are required to exercise significant judgement in estimating the provision for slow-moving inventories. The following are considered to provide for inventories write-off:

- Apply appropriate procedures to identify slow-moving and obsolete stocks;
- Make reasonable and prudent estimates of the prices obtainable in the market in which the goods are expected to be sold at the time at which they will be available for sale; and
- Take into account projected time to completion and sale (for example, repair costs for damaged stocks and sales commission).

2. BASIS OF ACCOUNTING (CONT'D)

2.3 Application of new and revised International Financial Reporting Standards.

New and amended standards adopted by the Group

Amendment to IFRS 16, 'Leases' – Covid-19 - Related rent concessions extension of the practical expedient (effective for periods beginning on or after 1 April 2021) extends the date of the practical expedient under IFRS 16 in relation to Covid-19 - Related rent concessions from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications.

'Interest Rate Benchmark Reform – Phase 2 (effective for periods beginning on or after 1 January 2021) introduces a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the interbank offered rate (IBOR) reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendment did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. SEGMENT INFORMATION

The reportable segments are strategic business units that offer different products and services. They are managed separately because each business unit requires different strategies. The Group has six reportable segments:

- Textile derives income mainly from the sale of knitwear, woven and fine knits products.
- Agro earns income mainly from sugar production.
- Property derives income mainly land and property development.
- Hotels and Resorts derives income through the ownership and management of portfolio of hotels.
- Financial services derive income mainly from banking, fiduciary products and portfolio management.
- Healthcare derives income through the running of healthcare facilities.
- CIEL - Holding Company derives income through dividend return from its investments.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on basis of Profit & Loss from operations.

3. SEGMENT INFORMATION (CONT'D)

THE GROUP	Textile MUR'000	Property* MUR'000	Agro MUR'000	Hotels & Resort MUR'000	Financial Services MUR'000	Healthcare MUR'000	CIEL And others** MUR'000	Eliminations/ Unallocated MUR'000	Total MUR'000
Year ended 30 June 2022									
Total revenue	15,454,249	121,677	-	4,839,078	4,544,464	3,561,758	819,408	(816,040)	28,524,594
Earnings before interest, tax, depreciation, amortisation, impairments and fair value gain on investment properties	1,720,906	101,823	(3,482)	1,223,940	1,409,089	832,381	496,163	(696,673)	5,084,147
Depreciation and amortisation	(342,849)	(15,013)	-	(561,719)	(248,982)	(208,947)	(5,316)	(7,490)	(1,390,316)
Earnings before interest, tax, impairments and fair value gain on investment properties	1,378,057	86,810	(3,482)	662,221	1,160,107	623,434	490,847	(704,163)	3,693,831
Impairment of financial assets	(2,971)	-	-	(855)	(645,892)	(31,780)	-	207,155	(474,343)
Fair value gain on investment properties	-	169,740	-	-	15,312	-	-	-	185,052
Finance income	11,677	-	-	58,274	599	9,785	15,549	(24,000)	71,884
Finance cost	(175,606)	(11,021)	-	(487,709)	(33,311)	(80,044)	(158,536)	23,174	(923,053)
Share of result of associates and joint ventures	(22,908)	50,117	211,943	19,515	187,672	-	-	(14,438)	431,901
Profit before income tax	1,188,249	295,646	208,461	251,446	684,487	521,395	347,860	(512,272)	2,985,272
Income tax	(154,798)	(70,603)	-	(51,366)	(173,390)	(90,908)	(3,495)	-	(544,560)
Profit from continuing operations	1,033,451	225,043	208,461	200,080	511,097	430,487	344,365	(512,272)	2,440,712
(Loss)/profit from discontinued operations	(288,349)	-	-	-	-	1,628	-	-	(286,721)
Profit for the year	745,102	225,043	208,461	200,080	511,097	432,115	344,365	(512,272)	2,153,991

* Include Evolis Group figures. Management deemed more useful to present all the Evolis property figures under the property segment, rather than the textile segment, for segmental reporting.

** CIEL and Others consist of CIEL Limited, CIEL Corporate Services, Azur Financial Services, EM Insurance Brokers Limited and Rockwood Textile.

3. SEGMENT INFORMATION (CONT'D)

THE GROUP	Textile MUR'000	Property* MUR'000	Agro MUR'000	Hotels & Resort MUR'000	Financial Services MUR'000	Healthcare MUR'000	CIEL and others** MUR'000	Eliminations/ Unallocated MUR'000	Total MUR'000
Year ended 30 June 2021									
Total revenue	10,444,465	103,069	6,000	527,901	3,782,304	2,994,560	564,503	(554,175)	17,868,627
Earnings before interest, tax, depreciation, amortisation, impairments, and fair value gain on investment properties	1,185,310	1,825	2,164	(594,048)	1,262,241	556,556	331,927	(338,236)	2,407,739
Depreciation and amortisation	(303,193)	(12,149)	-	(560,809)	(246,397)	(174,486)	(4,806)	1,005	(1,300,835)
Earnings before interest, tax, impairments, and fair value gain on investment properties	1,185,310	(10,324)	2,164	(1,154,857)	1,015,844	382,070	327,121	(337,231)	1,106,904
Impairment of financial assets	-	(4,183)	-	(18,237)	(230,276)	(30,682)	(2,767)	-	(286,145)
Fair value gain on investment properties	-	942,110	-	-	17,528	-	-	-	959,638
Finance income	7,370	42	-	8,062	810	3,787	-	-	20,071
Finance cost	(132,795)	(10,948)	-	(883,548)	(34,061)	(94,761)	(138,853)	-	(1,294,966)
Share of result of associates and joint ventures		(157)	241,895	(75,953)	25,988	17,653	16,843	41,035	267,304
Profit before income tax	756,692	916,540	244,059	(2,124,533)	795,833	278,067	202,344	(296,196)	772,806
Income tax	(103,203)	(3,631)	-	224,637	(187,560)	(6,545)	(3,246)	-	(79,548)
Profit from continuing operations	653,489	912,909	244,059	(1,899,896)	608,273	271,522	199,098	(296,196)	693,258
(Loss)/profit from discontinued operations	(26,930)	-	-	(244,927)	-	24,476	-	-	(247,381)
Profit for the year	626,559	912,909	244,059	(2,144,823)	608,273	295,998	199,098	(296,196)	445,877

3. SEGMENT INFORMATION (CONT'D)

2022	Textile MUR'000	Property* MUR'000	Agro MUR'000	Hotels & Resort MUR'000	Financial Services MUR'000	Healthcare MUR'000	CIEL and others** MUR'000	Eliminations/ Unallocated MUR'000	Total MUR'000
Assets excluding associates & joint ventures	14,084,367	5,511,343	36,404	21,660,460	46,312,311	4,685,822	25,031,329	(25,560,178)	91,761,858
Joint ventures	336,514	29,051	-	63,693	2,019,794	-	162,466	(157,270)	2,454,248
Associates	-	298,055	1,453,175	285,207	1,009	-	185,087	1,732,390	3,954,923
Segment assets	14,420,881	5,838,449	1,489,579	22,009,360	48,333,114	4,685,822	25,378,882	(23,985,058)	98,171,029
Segment liabilities	10,488,289	605,567	31,811	12,169,036	43,233,315	2,758,524	4,315,868	(1,814,701)	71,787,709

2021	Textile MUR'000	Property* MUR'000	Agro MUR'000	Hotels & Resort MUR'000	Financial Services MUR'000	Healthcare MUR'000	CIEL And others** MUR'000	Eliminations/ Unallocated MUR'000	Total MUR'000
Assets excluding associates & joint ventures	12,039,570	2,826,152	36,051	19,566,430	38,369,274	4,195,395	16,494,152	(15,364,458)	78,162,566
Joint ventures	-	-	188	49,277	1,935,237	-	1,445,643	(1,451,066)	1,979,279
Associates	-	-	1,371,537	392,645	23,329	-	1,965,477	231,339	3,984,327
Segment assets	12,039,570	2,826,152	1,407,776	20,008,352	40,327,840	4,195,395	19,905,272	(16,584,185)	84,126,172
Segment liabilities	7,777,498	366,084	29,575	13,089,313	35,359,372	2,502,422	3,741,713	(924,941)	61,941,036

* Include Evolis group figures. Management deemed more useful to present all the Evolis property figures under the property segment for segmental reporting.

** CIEL and Others consist of CIEL Limited, CIEL Corporate Services, Azur Financial Services, EM Insurance Brokers Limited and Rockwood Textile.

3. SEGMENT INFORMATION (CONT'D)

	REVENUES FROM EXTERNAL			
	Customers		Non-current Assets	
THE GROUP	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Geographical information				
Mauritius	18,933,684	11,212,753	36,708,525	32,530,885
Madagascar	4,265,881	3,525,985	17,204,395	12,727,230
Asia	3,738,299	2,065,208	1,702,556	1,289,224
Maldives	-	-	-	340,975
South Africa	844,202	589,100	187,493	248,377
Others	742,528	475,581	571,924	560,051
	28,524,594	17,868,627	56,374,893	47,696,742

Revenues from external customers are presented based on the respective subsidiaries' country of domicile.

4. REVENUE

The Group

Sale of goods

Sales of goods are recognised when control of the products has been transferred, being when the products are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

Sales of goods comprise the sale of knits, knitwear and woven textile garments.

Sale of services

Services provided by the group comprise operation, management and rental of properties, tourism, hospitality and leisure activities, medical services, and banking and financial services.

Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised when control of the services is transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. Income from the rendering of services include the following:

4. REVENUE (CONT'D)

Type	Timing of recognition
Dividend income	When the shareholder's right to receive payment is established.
Interest income	Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
Management fees and other income	When control of the services is transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. The fees are determined through management agreements and are generally based on an agreed percentage of the Net asset Value and Profit after tax of the company. The Group determines and calculates the fees and allocates them on a quarterly basis, through the fees are earned over time.
Commission	Commission received from trading services is allocated to each trading activity as and when it is due as per the agreement. The commission income is recognised at a point in time when the service is rendered.
Information and communication technology income	When control of the services is transferred to the customer at an amount that reflects the condition to which the company expects to be entitled in exchange for those services. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of reporting period as a proportion to the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. If the contract includes an hourly fee, revenue is recognised in the amount to which the customer is entitled to be invoiced. Customers are invoiced on a monthly basis and consideration is payable when invoiced.
Income from foreign exchange dealings	On a settlement basis.
Rental Income	Rental income from investment properties is recognised in profit or loss on an accrual basis in accordance with the substance of the relevant agreement. Revenue from service charge is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered.

4. REVENUE (CONT'D)

The Company

The Company's main source of revenue is dividend income generated from its subsidiaries. Dividend is recognised when the shareholder's right to receive payment is established.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Revenue				
- Banking				
- Interest Income	2,743,702	2,204,788	-	-
Revenue from contracts with customers:				
- Textile	15,458,594	10,444,465	-	-
- Hotel	4,839,078	527,901	-	-
- Banking				
- Fees and commission income	869,162	724,308	-	-
- Profit arising on dealings	644,236	578,833	-	-
- Other income	-	5,508	-	-
- Healthcare	3,551,959	2,986,161	-	-
- Agro & Property	39,227	21,493	-	-
Dividend income				
- Listed on DEM	-	-	46,110	53,792
- Unquoted	400	2,593	539,816	312,124
Others:				
Management and service fees	319,628	301,352	-	-
Rental income	31,609	36,841	-	-
Other income	26,999	34,384	8	1,592
	25,780,892	15,663,839	585,934	367,508
Total revenue	28,524,594	17,868,627	585,934	367,508
Timing of revenue recognition				
Goods transferred at a point in time	24,817,028	14,768,763	585,934	367,508
Services transferred over time	963,864	895,076	-	-
	25,780,892	15,663,839	585,934	367,508

5. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, IMPAIRMENTS, REORGANISATION COSTS AND FAIR VALUE GAIN ON INVESTMENT PROPERTY

(a)	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Revenue	28,524,594	17,868,627	585,934	367,508
Profit on disposal of property, plant and equipment	2,483	8,994	-	-
Profit on disposal of held for sale assets	62,232	31,812	-	-
Profit on disposal of investment property	9,399	-	-	-
Profit on disposal of associated companies (Note 14(f))	5,713	26,678	-	-
Other operating income	693,887	231,163	-	-
Government wage assistance scheme	253,396	618,725	-	-
Net foreign exchange differences	19,258	130,813	(567)	319
Cost of goods sold (i)	(11,002,301)	(7,214,615)	-	-
Interest expense – Banking segment	(1,438,371)	(1,103,490)	-	-
Employee benefit expenses (Note 7(a))	(6,717,428)	(5,146,336)	-	-
Management fees and services	(116,460)	(27,493)	(60,136)	(59,153)
Professional, legal and consultancy fees	(143,753)	(121,677)	(6,350)	(13,448)
Rental and leases (Note 16)	(310,709)	(76,821)	-	-
Logistics and utilities	(2,051,399)	(1,137,677)	-	-
Office expenses	(383,576)	(244,666)	(11,864)	(9,882)
Transport expenses	(105,877)	(80,500)	-	-
Marketing, communication and publication expenses	(455,511)	(209,469)	(13,666)	(6,878)
Repairs and maintenance	(422,919)	(267,944)	-	-
Social and events	(43,851)	(39,791)	-	-
Bad debts written off	(207,155)	(86,484)	-	-
Impairment of non-financial assets and reorganisation costs (iii)	(78,439)	(203,217)	-	-
Fair value adjustment on held for sale assets (Note 21)	-	(20,106)	-	-
Other expenses (ii)	(1,009,066)	(528,787)	(8,524)	(8,798)
	5,084,147	2,407,739	484,827	269,668

5. EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION, IMPAIRMENTS, REORGANISATION COSTS AND FAIR VALUE GAIN ON INVESTMENT PROPERTY (CONT'D)

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(i) Cost of goods sold		
Raw materials and consumables	9,664,559	6,167,170
Direct cost, Utilities and Others	1,337,742	1,047,445
	11,002,301	7,214,615
(ii) Other expenses		
Information and telecommunication expenses	(78,235)	(51,555)
Insurance	(78,611)	(45,555)
General and miscellaneous costs	(251,757)	(22,083)
Professional fees and other services	(239,718)	(127,217)
Fees and commission	(184,727)	(36,368)
Other cost	(176,018)	(246,009)
	(1,009,066)	(528,787)
(iii) Impairment of non-financial assets and reorganisation costs		
Non-financial assets (Note 9 / 18)	32,990	48,762
Reorganisation costs (*)	45,449	154,455
	78,439	203,217

(*) Reorganisation costs comprise termination benefits on voluntary early retirement of employees.

6. FINANCE COSTS AND FINANCE INCOME

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest expense on:				
Bank overdrafts	(26,752)	(44,745)	(223)	(3,952)
Loans repayable by instalments	(221,720)	(231,933)	-	-
Bills discounted	(16,137)	(9,275)	-	-
Debentures	(161,098)	(243,994)	-	-
Redeemable preference shares	(881)	-	-	-
B shares dividend	(6,000)	(4,000)	-	-
Loans at call	(83,309)	(176,646)	(1,793)	(2,231)
Lease liabilities (Note 16)	(219,634)	(220,249)	-	-
Fixed rate secured notes	(187,522)	(134,245)	(142,686)	(133,951)
Ineffective portion of cash flow hedge	-	(229,879)	-	-
Finance costs	(923,053)	(1,294,966)	(144,702)	(140,134)
Interest income on:				
Bank balances	71,884	20,071	-	-
Others	-	-	571	576
Finance income	71,884	20,071	571	576
Net finance costs	(851,169)	(1,274,895)	(144,131)	(139,558)

7.(A) EMPLOYEE BENEFIT EXPENSE

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Wages and salaries	5,831,823	4,396,291
Social security costs	414,712	370,167
Pension costs - defined contribution plans (Note 31(b))	54,057	65,766
Pension costs - defined benefit plans (Note 31(a))	64,303	74,609
Severance	4,428	825
Other post-retirement benefits	(1,161)	14,318
Others	349,266	224,360
Employee benefit expenses (Note 5(a))	6,717,428	5,146,336
Reorganisation costs (Note 5 (a) (iii))	45,449	154,455
Total	6,762,877	5,300,791

(*) Reorganisation costs comprise termination benefits on voluntary early retirement of employees.

7.(B) EXPECTED CREDIT LOSSES

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
IFRS 9 Provisions:		
Investment in securities (Note 24)	(1,208)	1,413
Loans to banks (Note 23)	-	(7)
- Loans and advances to customers (Note 22)	433,801	220,535
- Trade other receivables (Note 19(g))	20,143	65,313
- Others	21,607	(1,109)
Total	474,343	286,145

7.(C) DEPRECIATION AND AMORTISATION

		THE GROUP	
		2022	2021
		MUR' 000	MUR' 000
Depreciation of property plant and equipment *		1,063,715	1,031,656
Depreciation of right of use assets	16	212,291	176,813
Amortisation of intangible assets	11	114,310	92,366
		1,390,316	1,300,835
* Depreciation property plant and equipment analysed as follows:			
Continuing operations	7(c)	1,063,715	1,031,656
Discontinued operations		-	98,526
	9(a)	1,063,715	1,130,182

7.(D) SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES

	THE GROUP			
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
	Share of profit		Other Comprehensive income	
Joint ventures	197,276	(9,588)	(26,780)	(34,287)
Associates	234,625	276,892	(18,035)	72,845
	431,901	267,304	(44,815)	38,558

8. EARNINGS AND NET ASSET VALUE PER SHARE

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Basic and diluted earnings per share				
Profit attributable to owners	1,300,087	617,391	341,036	129,703
Weighted average number of ordinary shares	1,687,455	1,686,967	1,687,455	1,686,967
Earnings per share	0.77	0.37	0.20	0.08
Profit attributable to owners from continuing operations	1,587,671	755,335	341,036	129,703
Weighted average number of ordinary shares	1,687,455	1,686,967	1,687,455	1,686,967
Basic and diluted earnings per share from continuing operations	0.94	0.45	0.20	0.08
Net asset value per share				
Owners' Interest	17,715,432	14,931,409	21,079,242	15,664,672
Number of shares in issue	1,687,560	1,687,445	1,687,560	1,687,445
Net asset value per share	10.50	8.85	12.49	9.28

9. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment, except for freehold land and buildings and site improvements are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Freehold land is stated at revalued amounts and buildings are stated at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at each financial year end. It is the Group's policy to revalue its freehold land and buildings at least once every three years. The basis used is market value derived using the Sales Comparison Approach and the Depreciated Replacement Cost Approach and independent valuers are used for such exercises. Any revaluation surplus is credited to other comprehensive income, except to the extent that it reverses a revaluation deficit for the same asset previously recognised in profit or loss, in which case the surplus is credited to profit or loss to the extent of the deficit previously charged. A decrease in an asset's carrying amount arising on revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit or loss. On the subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to the retained earnings.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land and capital work in progress are not depreciated.

It is the Group's policy to maintain its buildings in a continued state of sound repair, such that their value is not significantly diminished by the passage of time or usage. Accordingly, in estimating the residual values, the Group has assessed the value of the building at the end of their useful life based on today's rate and this exercise is done by an independent qualified valuer. Therefore, buildings are depreciated on a straight-line basis to their estimated residual values over their estimated useful lives.

Leasehold land improvements are depreciated over the shorter of their useful life and the lease period. On other property, plant and equipment, depreciation is calculated on a straight-line basis to write off their depreciable amounts (cost less residual value) over their estimated useful lives.

The annual rates are as follows:

	Rate per annum
Buildings	2% to 10%
Buildings on leasehold land	2% to 12.5%
Plant, equipment and machinery	4% to 20%
Motor vehicles and boats	10% to 35%
Furniture, fittings and equipment	5% to 50%
Farming buildings and equipment	2.5% to 10%
Office, computer and other equipment	10% to 33%

The gain or loss arising on the disposal or retirement of an item (or part of an item) of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the item (or part of the item, as applicable) and is recognised in profit or loss.

Work in progress is valued at the cost of the project. Costs include an appropriate portion of fixed and variable overhead expenses.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and building	Assets under construction	Plant and machinery	Motor vehicles	Furniture, fittings & equipment	Office & Other equipment	Deer farming buildings & equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(a) The Group								
COST OR VALUATION								
At 1 July 2021	21,828,851	210,462	5,127,819	359,477	4,111,937	773,517	69,532	32,481,595
Revaluation	1,882,493	-	-	-	-	-	-	1,882,493
Additions	117,774	345,800	195,535	41,772	425,289	47,661	2,388	1,176,219
Transfer to intangible assets (Note 11)	-	(901)	-	-	-	-	-	(901)
Transfer to assets classified as held for sale	-	-	850	4,783	(18,425)	(2,511)	-	(15,303)
Transfer to investment properties (Note 10)	(331,674)	-	-	-	(5,535)	-	-	(337,209)
Transfers	200,481	(332,675)	90,121	-	33,044	9,029	-	-
Write offs	-	(670)	(20,022)	(2,246)	(95,302)	(1,494)	-	(119,734)
Translation adjustment	23,899	378	5,635	911	1,714	2,683	-	35,220
Disposals	(169)	(6,089)	(8,515)	(24,617)	(6,227)	(2,927)	-	(48,544)
At 30 June 2022	23,721,655	216,305	5,391,423	380,080	4,446,495	825,958	71,920	35,053,836
DEPRECIATION								
At 1 July 2021	1,817,977	4,803	3,513,654	263,692	3,005,041	625,831	30,987	9,261,985
Revaluation	(578,310)	-	-	-	-	-	-	(578,310)
Charge for the year	421,906	-	264,394	28,598	271,115	74,158	3,441	1,063,612
Transfers	3,457	(3,457)	-	-	-	-	-	-
Transfers to assets classified as held for sale	-	-	-	6,123	(18,425)	(2,320)	-	(14,622)
Impairment charges through P&L	(3,179)	-	-	-	-	-	-	(3,179)
Transfer to investment properties (Note 10)	(19,858)	-	-	-	(2,178)	-	-	(22,036)
Write offs	-	-	(18,339)	(2,246)	(92,429)	(1,470)	-	(114,484)
Translation adjustment	6,881	(1,346)	(5,723)	939	1,236	1,878	-	3,865
Disposals	(169)	-	(8,109)	(22,523)	(4,432)	(2,762)	-	(37,995)
At 30 June 2022	1,648,705	-	3,745,877	274,583	3,159,928	695,315	34,428	9,558,836
NET BOOK VALUES								
At 30 June 2022	22,072,950	216,305	1,645,546	105,497	1,286,567	130,643	37,492	25,495,000

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and building	Assets under construction	Plant and machinery	Motor vehicles	Furniture, fittings & equipment	Office & Other equipment	Deer farming buildings & equipment	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(a) The Group								
COST OR VALUATION								
At 1 July 2020 - Restated	23,433,345	229,081	6,399,570	394,292	4,102,075	752,366	58,948	35,369,677
Revaluation surplus	1,114,447	-	-	-	-	-	-	1,114,447
Additions	210,935	125,401	81,324	26,029	283,564	50,909	10,584	788,746
Transfer to intangible assets (Note 11)	-	(1,647)	-	-	-	-	-	(1,647)
Transfer to held for sale	(448,687)	-	(1,097,267)	(8,329)	(11,314)	(18,210)	-	(1,583,807)
Other transfers	13,044	(54,695)	30,541	2,975	8,110	25	-	-
Reclassification	55,978	(60,866)	1,690	(3,391)	6,554	35	-	-
Write offs	(6,647)	(33,191)	(25,391)	(182)	(30,649)	(14,690)	-	(110,750)
Translation adjustment	228,077	6,863	98,662	9,616	44,893	27,201	-	415,312
Disposals	(2,771,641)	(484)	(361,310)	(61,533)	(291,296)	(24,119)	-	(3,510,383)
At 30 June 2021	21,828,851	210,462	5,127,819	359,477	4,111,937	773,517	69,532	32,481,595
DEPRECIATION								
At 1 July 2020 - Restated	2,333,160	4,803	4,219,025	263,916	2,941,079	567,241	27,266	10,356,490
Revaluation surplus	(61,354)	-	-	-	-	-	-	(61,354)
Charge for the year	429,124	-	307,450	47,715	253,138	89,034	3,721	1,130,182
Transfers to held for sale	(8,021)	-	(785,176)	(7,878)	(8,501)	(13,469)	-	(823,045)
Impairment charges through P&L	392,049	-	-	-	-	-	-	392,049
Write offs (*)	(1,647)	-	(25,391)	(182)	(30,485)	(14,502)	-	(72,207)
Translation adjustment	61,203	-	51,470	7,365	31,135	20,614	-	171,787
Disposal	(1,326,537)	-	(253,724)	(47,244)	(181,325)	(23,087)	-	(1,831,917)
At 30 June 2021	1,817,977	4,803	3,513,654	263,692	3,005,041	625,831	30,987	9,261,985
NET BOOK VALUES								
At 30 June 2021	20,010,874	205,659	1,614,165	95,785	1,106,896	147,686	38,545	23,219,610

* The amounts written off relate principally to fully depreciated assets which are not in use anymore. The write off of the asset under construction relates to the write off of costs incurred on a factory in India, for which construction will not continue.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings

The Group carries its land and buildings at fair value. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income and shown in 'revaluation surplus' in the statement of changes in equity.

Details of the Group's land and buildings measured at fair value and information about the fair value hierarchy as at 30 June 2022 are as follows:

	THE GROUP			
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Land and Building	3,605,983	3,403,100	18,310,593	16,940,967
Balance as at 30 June	3,605,983	3,403,100	18,310,593	16,940,967

The Group's main land and buildings were last revalued on 30 June 2022.

If the land and buildings were stated on the historical cost basis, the amount would be **MUR 11.4Bn** (2021: MUR 11.4Bn).

Hotels and resorts segment

(a) The Group's policy is to revalue its freehold land and buildings at least every three years and the preceding revaluation was conducted on 30 June 2021. In the aftermath of COVID-19, a revaluation exercise was carried out as at 30 June 2022 to determine if there have been any significant changes to the fair values of the property, plant and equipment. The Chartered Valuers, Elevante Property Services Ltd revalued the freehold land and buildings and revaluation adjustment was accounted for those properties where there is no indication of impairment of the cash generating units.

Freehold land was valued taking into consideration comparable sales evidences. Sales prices of comparable land in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre. The basis of valuation in estimating the market value has been undertaken in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with Valuation for Financial Reporting and which is to be used in the context of International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB).

The buildings, structures and site improvement have been valued on a depreciated replacement cost basis taking into consideration their replacement cost, with adjustments being made for age and condition. This method of valuation is based on the theory of substitution and is used in situations where it is difficult to estimate inputs to be used to calculate value due to volatile market factors. The most significant input into this method of valuation is the replacement cost per square metre.

(b) Management assessed the recoverable amount of assets for which indicators of impairment exists as at 30 June 2022.

(c) Hierarchy level

Details of the Group's freehold land and buildings and site improvements and information about the fair value hierarchy are as follows:

	THE GROUP		
	Level 1	Level 2	Level 3
	MUR' 000	MUR' 000	MUR' 000
2022			
Freehold land	-	3,496,183	-
Buildings and improvement to leasehold land	-	-	12,091,279
Site improvements	-	-	597,332
Balance as at 30 June 2022	-	3,496,183	12,688,611

There were no transfers from one level to another during the year.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings (Cont'd)

Hotels and resorts segment (Cont'd)

(d) Bank borrowings are secured on fixed and floating charges on property, plant and equipment of the Group and the Company.

The following summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

	Valuation technique and key inputs	Sensitivity used	Effect on fair value Increase/(decrease)	
			2022	2021
			MUR '000	MUR '000
Buildings and improvement to leasehold land	Depreciated replacement cost approach	1% increase in current cost of replacing property	120,913	105,778
		1% decrease in current cost of replacing property	(120,913)	(105,778)
Site improvements	Depreciated replacement cost approach	1% increase in current cost of replacing property	5,973	5,912
		1% decrease in current cost of replacing property	(5,973)	(5,912)

Property Segment

(a) The freehold land of Ferney Limited ("FL") relates to hunting ground, sugar cane fields, land surrounding the factory and fallow land as well as land earmarked for the Ferney Integrated Development Project under a Smart City Scheme developed through Ferney Development Limited ("FDL"). These lands were valued by CDDS Land Surveyors and Property Valuer, an independent and professionally qualified valuer, as at 30 June 2022. The valuation of land was derived using the residual approach and sales comparison approach by reference to land transactions in the vicinity and the buildings using the depreciated replacement cost.

(b) Ferney Integrated Development Project: On 17 November 2020, the Economic Development Board issued a letter of intent to FDL pursuant to Regulation 9(3) of the SCS Regulations. The letter of intent is issued on the basis that FDL will develop a Smart City Project based on five pillars - Sustainability, Agri-Hub, Nature and Science Economy, Eco-Tourism, of an extent of 500 Hectares under the Smart City Scheme (the "Scheme").

(c) The land (the "earmarked land") that has been earmarked for the purposes of carrying out the smart city development is currently owned by FL: the extent of the earmarked land is 500 Hectares so that a change in the ownership of the earmarked land from FL to FDL is required to enable FDL to develop the earmarked land in accordance with the Investment Promotion (Smart City Scheme) Regulations 2015. The earmarked land was previously valued at MUR0.6M per acre and the objective is to revalue the land based on the Smart City project. In May 2022, FDL obtained its Smart City Certificate.

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings (Cont'd)

Property Segment (Cont'd)

(d) Basis of valuation of the earmarked land: The residual method of valuation is to estimate the possible revenue of the developable land and assuming all Smart City permits are granted net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services, to end up with a value of bare developable land.

(e) In June 2021, the earmarked land had been valued at MUR 195M giving rise to a fair value increase of MUR 115M which was credited to revaluation reserves in shareholders' equity. This represented an average estimated price per acre is MUR 1.5M. There has been no further increase/decrease in the valuation of land in the year ended 30 June 2022 following the desktop review done in 2022.

(f) In May 2022, a transfer of MUR 301M has been made from FL to FDL against an additional issue of shares.

(g) The land is classified as level 3 on the fair value hierarchy.

Significant valuation input:	Fair value	Range
	MUR	MUR
Price per hectare – earmarked land	-	8,292 – 2,200,000
Price per hectare - remaining land	1,222,130	474 – 14,215

	Fair value at			Range of inputs		
	2022	2021		**2022**	2021	
Description	**MUR '000**	MUR '000	**Unobservable inputs**	**%**	%	**Relationship of unobservable inputs to fair value**
Earmarked land	**-**	194,780	Capitalisation rate	**1% - 9%**	1% - 9%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
			Expected vacancy rate	**0% - 7.5%**	0% - 7.5%	
Other land	**1,222,130**	1,106,800	Years purchase	**3% - 5%**	3% - 5%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
			Expected vacancy rate	**5%**	5%	
			Discount rate	**5%**	5%	The higher the discount rate and terminal yield, the lower the fair value
			Terminal yield	**3% - 5%**	3% - 5%	
			Rental growth rate	**6.70%**	6.70%	The higher the rental growth rate and terminal yield, the higher the fair value

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings (Cont'd)

Financial services segment

At 30 June 2022, an independent valuation was performed by an independent qualified valuer, Cabinet Razafindratandra for land and buildings located at the headquarters in Madagascar. The properties were valued at **MUR 999M** (2021: MUR 854M). The external valuations have been performed using sales comparison approach and depreciated replacement cost basis.

(a) Valuation inputs and relationships to fair value

Valuation model	Replacement Cost
Unobservable inputs	Obsolescence Rate/ Unobservable sale price per square meter
Range of inputs	**4.28 % to 31.24%** (2021: 6.02% - 53.22%)

(b) Sensitivity analysis

A 5% increase or decrease in the obsolescence rate would lead to a decrease/increase of **MUR 35.2M** (2021: MUR 27.1M) in the fair value of land and building.

Healthcare segment

The revalued land and buildings consist of office and clinic premises. Management determined that these constitute one class of assets under IFRS 13, based on the nature, characteristics and risks of the property.

The C-Care Group's land and building are stated at their revalued amounts. The land and building were valued in June 2022. The valuation was performed by an independent valuer CDDS Valuation and Land Survey, Certified Practising Valuer, who has the appropriate qualification and experience in the fair value measurement of properties in the relevant location. Valuation is performed by the valuer using on-market comparable method for Land & Cost approach for building.

The land is classified as level 2 for C-Care and level 3 for International Medical Group and buildings are classified as level 3 on the fair value hierarchy.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis at 30 June 2022 and 2021 are shown below:

The main inputs used in the valuation approach ranged as follows:

Description	**Fair value at June 30**		**Valuation technique**	**Unobservable inputs**	**Range of Unobservable inputs (Probability - weighted average)**	**Relationship of Unobservable inputs to fair value**
	2022	2021				
	MUR '000	MUR '000				
Land	**154,720**	178,170	On market comparable	Price per Square metre	MUR 4,250-MUR 5,000 per square metre	The higher the price per square metre, the higher the fair value
Building	**742,382**	654,809	Replacement less depreciation	Price per Square metre	MUR 3,000-MUR 28,500 per square metre	The higher the price per square metre, the higher the fair value
	897,102	832,979				

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings (Cont'd)

Textile Segment

The Textile Segment engages external, independent and qualified valuers to determine the fair value of the Segment's land and buildings on a regular basis. The latest valuation was performed during the year ended June 30, 2020 and the fair value of the land and buildings have been determined by CDDS Land Surveyors and Property Valuer; Ratsimbazafy Ihanta Evelyne; Kumar & Associates, S. Pichaiya & associates and Jorip O Paridarshan Company Limited for land and buildings held in Mauritius, Madagascar, India and Bangladesh respectively.

The external valuations of level 3 land and buildings were performed using:

(i) a sales comparison approach, and

(ii) replacement cost less depreciation approach.

Given that there were limited or no similar sites in the vicinity in which the land and buildings of the Segment were located, the external valuers determined the inputs based on the size, age and condition of the land and buildings, the state of the local economy and comparable prices where relevant.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	2022 MUR'000	2021 MUR'000	Valuation Technique	Unobservable inputs	Range of Unobservable Inputs (probability – weighed Average)	Relationship of unobservable inputs to fair value
Manufacturing sites – Mauritius	1,125,156	1,103,107	Sales comparison and replacement cost less depreciation approach	Price per square metre	MUR 1,186-MUR 1,895/square metre (land) and MUR 450- MUR 128,000/ square metre (buildings)	The higher the price per square metre, the higher the fair value
Manufacturing sites – Madagascar	634,997	606,911	Sales comparison and replacement cost less depreciation approach	Price per square metre	MGA 45,000 - MGA 1,065,000/ square metre (land) and MGA 30,090 - MGA 1,102,200 (buildings)	The higher the price per square metre, the higher the fair value

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Fair value of land and buildings (Cont'd)

Textile Segment (Cont'd)

Description	2022 MUR'000	2021 MUR'000	Valuation Technique	Unobservable inputs	Range of Unobservable Inputs (probability – weighed Average)	Relationship Of unobservable inputs to fair value
Manufacturing sites – Asia	811,354	802,667	Sales comparison and replacement cost less depreciation approach	1 bigha equivalent to 33 decimals and square feet for land and square feet for building	Tk. 1742424 / decimal for the land and Tk.850-Tk.1,450 per sq.ft for the building. INR.12,500,000/acre for land and INR.1,800 per sq.ft for the building. INR 3,250,000/acre for land and INR.432-INR.19,250 per sqm for the building	The higher the price per bigha/ square feet, the higher the fair value
	2,571,507	2,512,685				

There were no transfers between Levels 1, 2 and 3 during the year.

10. INVESTMENT PROPERTIES

ACCOUNTING POLICIES

Investment properties, held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value as determined periodically by the directors subsequent to the valuation carried out by external valuer. Changes in fair values are included in profit or loss. When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

10. INVESTMENT PROPERTIES (CONT'D)

	THE GROUP	
	2022	2021
Fair value model	MUR '000	MUR '000
At 1 July	2,741,592	1,780,315
Additions	-	-
Disposals	(9,225)	(6,341)
Transfer from property, plant and equipment (Note 9(a))	315,173	-
Transfer from/to non-current assets held for sale (Note 21)	379,700	-
Increase in fair value	185,052	959,638
Exchange differences	1,950	7,980
At 30 June	3,614,242	2,741,592

The investment properties relate mainly to those of BNI Madagascar, CIEL Textile Group and Ferney Limited.

	2022	2021
BNI Madagascar	229,828	212,566
CIEL Textile Group	698,577	-
Ferney Group	2,685,837	2,529,026
	3,614,242	2,741,592

BNI Madagascar

The investment properties were fair valued by Cabinet Razafindratandra, an independent professionally qualified valuer. The fair value was determined based on the replacement cost method whereby the valuation of the properties is discounted based on the future evolution of the zone in which the properties are found, the surrounding constructions access to infrastructure and the topography of the land.

(a) Valuation inputs and relationships to fair value

Valuation model	Replacement Cost
Unobservable inputs	Obsolescence Rate/ Unobservable sale price per square meter
Range of inputs	**4.28% to 31.24%** (2021: 6.02% to 53.22%)

(b) Sensitivity analysis

A 5% increase or decrease in the obsolescence rate would lead to a decrease/increase of **MUR 11.7M** (2021: MUR 10.6M) in the fair value of investment properties.

10. INVESTMENT PROPERTIES (CONT'D)

Ferney Group

(a) The investment properties of Ferney Limited ("FL") comprise sugarcane land and agricultural land held for rental purposes as well as land earmarked for the Ferney Integrated Development Project under a Smart City Scheme developed through Ferney Development Limited ("FDL"). These lands were valued by CDDS Land Surveyors and Property Valuer, an independent and professionally qualified valuer, as at 30 June 2021. The valuation of land was derived using the residual approach and sales comparison approach by reference to land transactions in the vicinity.

(b) Ferney Integrated Development Project: On 17 November 2020, the Economic Development Board issued a letter of intent to FDL pursuant to Regulation 9(3) of the SCS Regulations. The letter of intent is issued on the basis that FDL will develop a Smart City Project based on five pillars - Sustainability, Agri-Hub, Nature and Science Economy, Eco-Tourism, of an extent of 500 Hectares under the Smart City Scheme (the "Scheme").

(c) The land (the "earmarked land") that has been earmarked for the purposes of carrying out the smart city development is currently owned by FL: the extent of the earmarked land is 500 Hectares so that a change in the ownership of the earmarked land from FL to FDL is required to enable FDL to develop the earmarked land in accordance with the Investment Promotion (Smart City Scheme) Regulations 2015. The earmarked land was previously valued at MUR0.6M per acre and the objective is to revalue the land based on the Smart City project. In May 2022, Ferney Development Ltd obtained its smart city certificate from the Economic Development Board.

(d) Basis of valuation of the earmarked land: The residual method of valuation is to estimate the possible revenue of the developable land and assuming all Smart City permits are granted net of all the costs of developing the entire Smart City, mostly being the cost of construction of the buildings and services, to end up with a value of bare developable land.

(e) In the year ended 30 June 2021, the earmarked land had been valued at MUR 1,576M giving rise to a fair value increase of MUR 942M. This represented an average estimated price per acre is MUR 1.5M. There has been no further increase/decrease in the valuation of investment property in the year ended 30 June 2022 following the desktop review done in 2022.

(f) The investment properties are classified as level 3 on the fair value hierarchy.

Significant valuation input:	Fair value	Range
	MUR	MUR
Price per hectare - Smart City	1,911,549	8,292 – 2,200,000
Price per hectare - remaining land	774,288	533 - 17,769

	THE GROUP	
	2022	2021
	MUR '000	MUR '000
Rental income	16,924	15,759
Direct operating expenses arising from investment properties that generate recurring rental income	1,520	1,250

(g) The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

10. INVESTMENT PROPERTIES (CONT'D)

(h)

Description	Fair value at 2022 MUR '000	Fair value at 2021 MUR '000	Unobservable inputs	Range of inputs 2022 %	Range of inputs 2021 %	Relationship of unobservable inputs to fair value
Smart City	**1,911,549**	1,576,610	Capitalisation rate	**1% - 9%**	1% - 9%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
			Expected vacancy rate	**0% - 7.5%**	0% - 7.5%	
Remaining land	**774,288**	810,979	Years purchase	**3% - 5%**	3% - 5%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
			Expected vacancy rate	**5%**	5%	
			Discount rate	**5%**	5%	The higher the discount rate and terminal yield, the lower the fair value
			Terminal yield	**3% - 5%**	3% - 5%	
			Rental growth rate	**6.70%**	6.70%	The higher the rental growth rate and terminal yield, the higher the fair value

(i) There were no transfers between levels during the year.

(j) Sensitivity analysis

A 1% increase/decrease in the capitalisation rate and years purchase rate would lead to a decrease/increase of **MUR 97.2M/ MUR 127.6M** in the fair value of the investment properties.

CIEL Textile Group

The investment properties were fair valued by CDDS Land Surveyors and Property Valuer, an independent professionally qualified valuer, as at 30 June 2022. The value was derived using the sales comparison approach by reference to land transactions in the vicinity and direct income approach.

	Fair value MUR' 000	Range MUR' 000
Price per hectare - land	236,230	1.8 to 5.6
Price per m² - Building	877,150	13 to 300

10. INVESTMENT PROPERTIES (CONT'D)

Valuation inputs and relationships to fair value

Description	Fair value MUR'000	Valuation model	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
- Industrial buildings / Manufacturing sites	549,000	Direct income approach	All risk yield Equated yield Vacancies	8% 11.1% 5-12.5%	The higher the all risk yield, the higher the equated yield which leads to a lower fair value. The higher the vacancy rate, the lower the fair value.
- Office buildings	557,140	Sales comparison	Capitalisation rate Expected vacancy rate	7.5%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
- Other buildings	7,240	Direct comparison	Years purchase (YP) to perpetuity	6.25%	The higher the YP to perpetuity rate, the lower the fair value

Sensitivity analysis

1% increase/decrease in the capital would lead to a decrease/increase of **MUR 29.9M/MUR 32.0M** in the fair value of the properties.

The investment properties are classified as level 3 on the fair value hierarchy. There was no transfer between levels during the year.

11. INTANGIBLE ASSETS

ACCOUNTING POLICIES

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill with an indefinite life is not subject to amortisation and is tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Any impairment is presented separately on the face of the statement of profit or loss and other comprehensive income.

Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight-line method over their estimated useful lives (1 - 8 years).

- Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.
- Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs, recognised as assets, are amortised over their estimated useful lives, not exceeding 3 years.

11. INTANGIBLE ASSETS (CONT'D)

(a) The Group	Computer Software MUR '000	Development Cost MUR '000	Goodwill MUR '000	Total MUR '000
Year ended 30 June 2022				
COST				
At 1 July 2021	769,450	7,235	1,308,484	2,085,169
Additions	45,259	1,613	-	46,872
Transfer from property, plant & equipment (Note 9(a))	901	-	-	901
Disposal	(209)	(172)	-	(381)
Translation adjustment	2,237	2,744	-	4,981
Transfer to non-current assets held for sale (Note 21)	(937)	-	(19,062)	(19,999)
Write offs	(6,610)	(6,346)	-	(12,956)
At 30 June 2022	810,091	5,074	1,289,422	2,104,587
AMORTISATION				
At 1 July 2021	578,636	5,398	32,357	616,391
Charge for the year	114,310	-	-	114,310
Disposal	(7)	(137)	-	(144)
Translation adjustment	1,438	2,744	-	4,182
Write offs	(6,610)	(6,225)	-	(12,835)
Transfer to non-current assets held for sale (Note 21)	(929)	-	-	(929)
At 30 June 2022	686,838	1,780	32,357	720,975
NET BOOK VALUES				
At 30 June 2022	123,253	3,294	1,257,065	1,383,612

11. INTANGIBLE ASSETS (CONT'D)

(a) The Group	Computer Software MUR '000	Development Cost MUR '000	Goodwill MUR '000	Total MUR '000
Year ended 30 June 2021				
COST				
At 1 July 2020	742,264	8,552	1,308,484	2,059,300
Additions	32,652	-	-	32,652
Transfer from property, plant & equipment (Note 9(a))	1,647	-	-	1,647
Translation adjustment	23,211	(1,279)	-	21,932
Transfer to non-current assets held for sale (Note 21)	(16,033)	-	-	(16,033)
Write offs	(14,291)	(38)	-	(14,329)
At 30 June 2021	769,450	7,235	1,308,484	2,085,169
AMORTISATION				
At 1 July 2020	497,213	5,125	32,357	534,695
Charge for the year	92,334	32	-	92,366
Translation adjustment	5,414	241	-	5,655
Write offs	(2,909)	-	-	(2,909)
Transfer to non-current assets held for sale (Note 21)	(13,416)	-	-	(13,416)
At 30 June 2021	578,636	5,398	32,357	616,391
NET BOOK VALUES				
At 30 June 2021	190,814	1,837	1,276,127	1,468,778

11. INTANGIBLE ASSETS (CONT'D)

The breakdown of the goodwill is:

	2022	2021
	MUR '000	MUR '000
Healthcare segment	798,148	798,148
Hotels and resorts segment	225,024	225,024
Financial services segment	233,893	252,955
	1,257,065	1,276,127

Impairment testing of goodwill

Healthcare Segment

The key assumptions used for the impairment calculation are:

Operating profit margin: Operating profit margin is based on average values achieved in the year preceding the start of the budget period.

Discount rate: Discount rate represents the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and specific risk of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived by using comparable industries data and adjust for the country risk and size for the company. The cost of debt is based on the interest-bearing borrowings.

Growth rate estimates: Rates are based on management's best estimates of the Group's and industry's growth rate.

Goodwill has been allocated for impairment testing purposes to the following cash generating units:

		2022	2021
		MUR'000	MUR'000
IMG Group	(i)	207,203	207,203
C-Care Group :			
C-Care (Mauritius) Ltd (previously known as Medical and Surgical Centre Ltd)	(ii)	240,378	240,378
Wellkin Hospital	(iii)	343,059	343,059
Department of Cardiac	(iv)	7,508	7,508
		798,148	798,148

(i) IMG Group

The recoverable amount of this cash-generating unit is determined based on the fair value less costs to sell calculations. These calculations use cash flow projections based on financial budgets and forecasts approved by management. Fair value was determined by using an appropriate discount rate to discount future cash flows generated from IMG Group. The discount rate calculation is based on specific circumstances of the cash generating units and a rate of **22.40%** (2021: 20.69%) has been estimated. The terminal value has been computed by capitalising the net income prevailing at the end of the cash flow projections, using a growth rate of **6%** (2021: 6%) and discounting at an appropriate rate.

	2022	2021
	MUR '000	MUR '000
Sensitivity to changes in assumptions - IMG Group		
Discount factor +0.5% point	(20,000)	(27,000)
Discount factor -0.5% point	21,000	30,000
Terminal Growth rate +0.5% point	6,000	10,400
Terminal Growth rate -0.5% point	(6,000)	(9,700)

11. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

Healthcare Segment (Cont'd)

(ii) C-Care (Mauritius) Limited

C-Care is listed on the Development Enterprise Market (DEM) on the Stock Exchange of Mauritius. As at 30 June 2022, the investment in C-Care has been valued using the Volume Weighted Average Price ("VWAP") model as management considers it is a more appropriate valuation of the Company. The share price as at 30 June 2022 was **MUR 17.20** (2021: MUR 19.70) and the VWAP used for valuing the investment was **MUR 18.82** (2021: MUR 10.35).

(iii) Wellkin Hospital

The recoverable amount of this cash generating unit is Rs. 5.4bn. This has been based on the overall contribution of Wellkin to C-Care- the valuation of C-Care being explained above.

(iv) Department of Cardiac

The recoverable amount of Department of Cardiac Cash Generating Unit of MUR7.5M has been determined based on its fair value less cost to sell. These calculations use cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to the cash flow projections is **9.3%** (2021: 9.25%). Management has used its past experience in determining the value of each assumption. As a result of the analysis, management did not identify any impairment.

	2022	2021
	MUR '000	MUR '000
Sensitivity to changes in assumptions - Department of Cardiac		
Discount factor +0.5% point	(6,000)	(6,000)
Discount factor -0.5% point	24,000	24,000
Terminal Growth rate +0.5% point	7,000	7,000
Terminal Growth rate -0.5% point	(7,000)	(7,000)

Financial services segment

Goodwill has been allocated for impairment testing purposes to the following cash generating units.

	2022	2021
	MUR '000	MUR '000
Indian Ocean Financial Holdings Limited (Group)	163,378	163,378
Investment Professionals Ltd	-	19,062
Mitco Group Ltd	70,515	70,515
	233,893	252,955

Goodwill is attributable to the above-named companies' strong position and profitability in their respective market and to their workforce. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating units (CGUs) was determined based on the higher of the fair value and the value in use computed using either a dividend discount model or a discounted cash flow model. The use of both methods requires the use of assumptions, which have been disclosed below for the value in use.

11. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

Financial services segment (Cont'd)

2022	BNI Madagascar SA	Investment Professionals Ltd	MITCO Group Ltd
Risk-free rate (%)	8.63%	-	5.31%
Equity beta	0.70	-	0.71
Specific risk premium (%)	4.00%	-	4.00%
Equity market risk premium (%)	10.67%	-	6.12%
Cost of equity / Weighted Average Cost of Capital (%)	18.89%	-	13.66%
Growth (%)	3.00%	-	3.00%
Model	Dividend Discount Model	-	Discounted Cash Flow Model
Number of years	4	-	3
2021	BNI Madagascar SA	Investment Professionals Ltd	MITCO Group Ltd
Risk-free rate (%)	9.50%	4.31%	4.31%
Equity beta	0.74	0.7	0.7
Specific risk premium (%)	4.00%	3.00%	3.00%
Equity market risk premium (%)	9.84%	5.98%	5.98%
Cost of equity / Weighted Average Cost of Capital (%)	19.67%	10.60%	10.60%
Growth (%)	3.00%	3.00%	3.00%
Model	Dividend Discount Model	Dividend Discount Model	Discounted Cash Flow Model
Number of years	4	3	3

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Risk-free rate (%)	Reflects the risk-free rate applicable to the country, for instance, the 20-year (2021: 20-year) bond rate or 3 year in the case of Madagascar
Equity beta	Volatility of a stock compared to the market. Applicable rate in country used.
Specific risk premium (%)	Return in excess of the risk-free rate that an asset is supposed to yield based on country in which the investment operates as well as its segment.
Cost of equity/ Weighted Average Cost of Capital (%)	Firm's cost of capital and is not determined by management but rather by external factors. However, this is validated against the general risk appetite framework put in place by the controlling shareholder.
Growth (%)	Based on forecasts and business plans of the investee company

11. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

(c) Significant estimate: Impact of possible changes in key assumptions

	BNI Madagascar SA	Investment Professionals Ltd	Mitco Group Ltd
2022			
Cost of equity / Weighted Average Cost of Capital (%)	**+ 5%**	**+ 5%**	**+ 5%**
Impact on Goodwill	**(MUR 13M)**	**Nil**	**Nil**
2021			
Cost of equity / Weighted Average Cost of Capital (%)	+ 5%	+ 5%	+ 5%
Impact on Goodwill	Nil	(MUR 5M)	Nil

Hotels and resorts segment

Below is an overview of the methods and key assumptions used at the end of the reporting period, to determine recoverable amounts for CGUs or groups of CGUs.

		2022		2021	
		Sun managed resorts*	Resorts managed by external operators**	Sun managed resorts*	Resorts managed by external operators**
Carrying value of Goodwill	MUR'000	-	223,689	-	223,689
Carrying value of property, plant and equipment	MUR'000	8,396,191	8,514,657	6,594,571	7,344,170
Recoverable amount method		Value in use and Market value	Value in use and Market value	Value in use	Value in use
Period of projected cash flows	Years	10	10	5 - 7	7 - 10
Terminal capitalisation rate	%	9.50%	9.00%	6.00%	6.00% - 7.25%
Discount rates	%	12.00%	11.50%	10.80%	10.80% - 11.25%

*Sun managed resorts refer to Wolmar Sun Hotels Limited, Long Beach Resort Ltd, City and Beach Hotels (Mauritius) Limited and Loisirs des Iles Ltée. Wolmar Sun Hotels Limited, Long Beach Resort Ltd and City and Beach Hotels (Mauritius) Limited were valued based on projected cash flows and Loisirs des Iles Ltée was valued based on sales comparison approach.

**Resorts managed by external operators refer to Anahita Hotel Limited and SRL Touessrok Hotel Ltd, of which Sun Limited owns 100% and 74% respectively. These resorts were valued based on present value of projected cash flows.

11. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

The recoverable amounts of the CGUs would equal their carrying amounts if the key assumption, i.e. discount rate, was to change as follows:

	2022		2021	
	From	To	From	To
Change in discount rate				
Anahita Hotel Limited	11.50%	16.16%	10.80%	14.13%
City and Beach Hotels (Mauritius) Limited	12.00%	26.57%	10.80%	22.53%
Long Beach Resort Ltd	12.00%	22.91%	10.80%	11.80%
Wolmar Sun Hotels Limited	12.00%	24.23%	10.80%	26.23%
SRL Touessrok Hotel Ltd	11.50%	15.60%	11.25%	11.98%

Sensitivity Analysis	Decrease of 0.5% in discount rate	Increase of 0.5% in terminal value	Increase of 1% in occupancy rate
	MUR'000	MUR'000	MUR'000
2022	1,010,004	619,724	423,724
2021	1,760,984	851,079	890,683

12. INVESTMENTS IN SUBSIDIARY COMPANIES

ACCOUNTING POLICIES

Separate financial statements

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value. On adoption of IFRS 9, the Group made an irrevocable election at the time of initial recognition to account for equity investments at fair value through OCI ('FVOCI'). There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of these investments. On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired are recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount being recognised in profit and loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to retained earnings.

Fair value hierarchy

This section explains the judgements and estimates made in determining fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its investments in subsidiaries into the three levels prescribed under the accounting standards.

(a) The Company	MUR '000	MUR '000	MUR '000	MUR '000
	Level 1	Level 2	Level 3	Total
VALUATION				
At 1 July 2021	-	2,963,017	15,280,617	18,243,634
Fair value adjustment	-	1,666,407	3,730,109	5,396,516
Redemptions	-	-	(129,345)	(129,345)
At 30 June 2022	-	4,629,424	18,881,381	23,510,805

	MUR '000	MUR '000	MUR '000	MUR '000
	Level 1	Level 2	Level 3	Total
VALUATION				
At 1 July 2020	496,764	1,422,671	11,009,482	12,928,917
Additions	-	-	54,018	54,018
Fair value adjustment	687,914	355,668	4,217,117	5,260,699
Transfers	(1,184,678)	1,184,678	-	-
At 30 June 2021	-	2,963,017	15,280,617	18,243,634

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Redemptions

(i) On 15 February 2022, C-Care (International) Ltd (previously known as CIEL Healthcare Ltd), reduced its stated capital by MUR 200M. CIEL Limited share was MUR 106M.

(ii) During the financial year, CIEL Finance Ltd redeemed MUR 31M of its redeemable shares. CIEL Limited's share was MUR 23M.

Specific valuation techniques used to value the Company's investments include:

Level 1 investments - Unadjusted quoted prices have been used to value these investments.

Level 2 investments - The quoted prices, adjusted by a 10% premium has been used to value investments. This is explained by the fact that the Company holds a controlling stake in those subsidiaries and would expect to offer such a premium, should it wish to acquire more shares in these entities. This premium falls within the range of those offered on previous similar transactions.

Level 2 investments adjusted quoted price on DEM - Investment has been valued using the Volume Weighted Average Price ("VWAP") model as at 30 June 2022 as management considers it is a more appropriate valuation of the Company.

Where appropriate, the ratio of the cumulative share price to the cumulative volume traded over a given time period has been used to fair value the investment.

Valuation inputs and relationships to fair value

CIEL Finance Limited

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value MUR'000	Valuation technique	Unobservable inputs	Range of inputs	
30-Jun-22					
CIEL Finance Limited	2,582,931	Price-earnings ratio	Price-earnings ratio	10	(i)
		Price to Book	Price to Book	1.8 X	(ii)
30-Jun-21					
CIEL Finance Limited	2,623,716	Price-earnings ratio	Price-earnings ratio	10	(i)
		Dividend discount model	Weighted-average cost of capital	19.70%	(iii)

Relationship of unobservable inputs to fair value

(i) Increase in PE ratio by **2.5 %** (2021 - 2.5%) would increase fair value by **MUR 104M** (2021 - MUR 111M).

(ii) Increase in Price to Book multiple by **2.5%** (2021 – Nil) would increase fair value by **MUR 19 M** (2021 – Nil)

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Valuation inputs and relationships to fair value (Cont'd)

CIEL Textile Limited

Description	Fair value MUR '000	Valuation technique	Unobservable inputs	Range of inputs
30-Jun-22				
CIEL Textile Limited *	7,049,191	Discounted Cash Flow	Weighted-average cost of capital	10.40% - 11.20%
			Terminal Growth Rate	2% - 3.4%
				MUR '000
Sensitivity to changes in assumptions				
Terminal +0.5% point				555,000
Terminal -0.5% point				(555,000)
Weighted-average cost of capital +0.5% point				577,000
Weighted-average cost of capital -0.5% point				(577,000)

Description	Fair value MUR '000	Valuation technique	Unobservable inputs	Range of inputs
30-Jun-21				
CIEL Textile Limited	5,446,700	Discounted Cash Flow	Weighted-average cost of capital	10.6%-11.4%
			Terminal Growth Rate	2%-3.5%
				MUR '000
Sensitivity to changes in assumptions				
Terminal +0.5% point				75,000
Terminal -0.5% point				(71,000)
Weighted-average cost of capital +0.5% point				(567,000)
Weighted-average cost of capital -0.5% point				651,000

* CIEL Textile Limited value includes 75.94% of Evolis group. Evolis Group has been valued at its net asset value as it holds mainly investment properties. The properties have been fair valued at year end by CDDS using the Discounted Cash Flow model.

The net assets value of Evolis as at June 30, 2022 was MUR 1.2Bn. CTL's share represents MUR 940M.

CIEL Agro Limited, CIEL Properties Limited and CIEL Healthcare Limited have been valued at their net asset value as they hold mainly investments in two quoted entities, which have been valued using the prevailing quoted price and adjusted quoted price, where appropriate.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Valuation inputs and relationships to fair value (Cont'd)

C-Care (Mauritius) Ltd

C-Care is listed on the Development Enterprise market (DEM) of the Stock Exchange of Mauritius. As at 30 June 2022, the investment in C-Care has been valued using the Volume Weighed Average Price ("VWAP") as management considers it is a more appropriate valuation of the company. Investment is reported as Level 2 investment in the fair value hierarchy. The share price as at 30 June 2022 was **MUR 17.20** (2021: MUR 19.70) and the VWAP used for valuing the investment was **MUR 18.82** (2021: MUR 10.35).

Valuation process

Management has a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values.

The team reports to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team quarterly, in line with the group's quarterly reporting periods.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by VALUE IFRS Plc's internal credit risk management group.
- Earnings growth factors for unlisted equity securities are estimated based on market information for similar types of companies.
- Contingent consideration – expected cash inflows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the quarterly valuation discussion between the CFO, AC and the valuation team. As part of this discussion the team presents a report that explains the reason for the fair value movements.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) The list of the Group's significant subsidiaries is as follows:

Name of subsidiary company	Class of Shares	Year End	Denominated Currency	Stated capital		Percentage holding		Proportion of ownership interests held by non-controlling interests		Country of Incorporation / Principle place of business	Main business
				2022	2021	2022	2021	2022	2021		
						Direct	Direct				
				000's	000's	%	%	%	%		
CIEL Agro Limited (formerly known as CIEL Agro & Property Limited)**	Ordinary	30 June	MUR	1,413,865	1,413,865	100.00	100.00	-	-	Mauritius	Investment
CIEL Properties Limited**	Ordinary	30 June	MUR	2,177,701	2,177,701	100.00	100.00	-	-	Mauritius	Investment
CIEL Corporate Services Ltd	Ordinary	30 June	MUR	25	25	100.00	100.00	-	-	Mauritius	Management services
CIEL Finance Limited	Ordinary	30 June	MUR	1,933,231	1,933,231	75.10	75.10	24.90	24.90	Mauritius	Investment
C-Care (International) Ltd (formerly known as CIEL Healthcare Limited)	Ordinary	30 June	MUR	1,637,895	1,637,895	53.03	53.03	46.97	46.97	Mauritius	Investment
CIEL Textile Limited	Ordinary	30 June	MUR	685,865	685,865	100.00	100.00	-	-	Mauritius	Investment
Rockwood Textiles Ltd	Ordinary	30 June	MUR	1	1	100.00	100.00	-	-	Mauritius	Property
Sun Limited	Ordinary	30 June	MUR	1,945,451	1,945,451	50.10	50.10	49.90	49.90	Mauritius	Investment
C-Care (Mauritius) Ltd*	Ordinary	30 June	MUR	289,801	289,801	20.08	20.08	44.17	44.17	Mauritius	Healthcare Services

* CIEL Limited indirectly holds 35.75% of C-Care (Mauritius) Ltd through CIEL Healthcare Limited and the effective shareholding is 55.83%.

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests.

2022	Current assets MUR '000	Non-current assets MUR '000	Current liabilities MUR '000	Non-current liabilities MUR '000	Revenue MUR '000	Profit for the year MUR '000	Other Comprehensive income MUR '000	Non-controlling interests MUR '000
CIEL Textile Limited – Group[1]	9,940,118	6,131,583	9,310,036	1,590,222	15,464,671	896,319	135,000	110,963
Sun Limited – Group	2,278,667	19,730,693	3,356,974	8,112,062	4,840,319	200,080	2,251,008	167,637
CIEL Finance Limited – Group	28,432,322	19,838,400	41,702,083	1,517,743	4,535,807	702,959	79,400	460,568
CIEL Healthcare Limited – Group[2]	1,289,501	3,396, 322	1,194,360	1,564,164	3,561,758	432,116	79,887	126,273

2022	Operating Activities MUR '000	Investing Activities MUR '000	Financing Activities MUR '000	Net Increase in Cash and Cash Equivalents MUR '000
CIEL Textile Limited – Group	(382,517)	(341,462)	755,454	31,475
Sun Limited – Group	1,774,748	(253,928)	(1,395,043)	125,777
CIEL Finance Limited – Group	1,767,780	(28,034)	705,755	2,445,501
CIEL Healthcare Limited – Group	721,504	(303)	(323,732)	397,469

2022	Dividend paid to non-controlling interests MUR '000	Total comprehensive income allocated to non-controlling interests during the year MUR '000	Accumulated non-controlling interests MUR '000
CIEL Textile Limited - Group	-	110,963	285,070
Sun Limited - Group	-	167,637	844,748
CIEL Finance Limited - Group	(432,474)	460,468	1,905,547
CIEL Healthcare Limited - Group	(50,146)	126,273	369,123

[1] Non-controlling interests in CIEL Textile Limited includes 24.06% directly held by CIEL Properties Ltd
[2] Non-controlling interests in CIEL Healthcare Ltd includes 20.08% of C-Care (Mauritius) Ltd's share

12. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

2021	Current assets MUR '000	Non-current assets MUR '000	Current liabilities MUR '000	Non-current liabilities MUR '000	Revenue MUR '000	Profit/(loss) for the year MUR '000	Other Comprehensive income MUR '000	Non-controlling interests MUR '000
CIEL Textile Limited – Group	6,633,085	4,295,882	6,740,482	1,037,016	10,444,465	626,559	167,428	(733)
Sun Limited – Group	2,088,235	17,920,117	3,440,385	9,648,928	527,901	(2,076,714)	638,596	(88,550)
CIEL Finance Limited – Group	25,569,766	14,748,078	34,534,354	832,945	3,782,304	608,273	776,267	537,890
CIEL Healthcare Limited – Group*	830,279	3,074,851	961,558	1,540,863	2,994,560	296,001	40,844	99,878

* Non-controlling interests in CIEL Healthcare Ltd includes of 20.08% of C-Care (Mauritius) Ltd's share.

2021	Operating Activities MUR '000	Investing Activities MUR '000	Financing Activities MUR '000	Net Increase in Cash and Cash Equivalents MUR '000
CIEL Textile Limited – Group	988,904	(197,620)	(312,341)	478,943
Sun Limited – Group	(764,809)	1,380,177	305,487	920,855
CIEL Finance Limited – Group	752,974	(118,310)	(152,691)	481,973
CIEL Healthcare Limited – Group	520,072	(201,901)	(100,925)	217,246

2021	Dividend paid to non-controlling interests MUR '000	Total comprehensive income allocated to non-controlling interests during the year MUR'000	Accumulated non-controlling Interests MUR'000
CIEL Textile Limited - Group	-	(733)	61,339
Sun Limited - Group	-	(88,550)	677,011
CIEL Finance Limited - Group	(413,377)	537,890	1,877,453
CIEL Healthcare Limited - Group	(33,511)	99,878	291,145

The summarised financial information above is the amount before intra-group eliminations.

For subsidiary companies having a different reporting date, management accounts have been prepared as at 30 June.

13. INVESTMENTS IN JOINT VENTURES

ACCOUNTING POLICIES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Separate financial statements

In the separate financial statements of the investor, investments in joint ventures are carried at fair value. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

Joint ventures are accounted for using the equity method.

	2022 MUR '000	2021 MUR '000
(a) The Group		
At 1 July	1,979,279	1,973,154
Dividend	(84,000)	-
Addition (Note (i))	29,051	50,000
Transfer from held for sale	361,746	-
Translation adjustment	(2,324)	-
Share of results	197,276	(9,588)
Share of other comprehensive income	(26,780)	(34,287)
At 30 June	2,454,248	1,979,279
Made up as follows:		
Net assets	2,279,763	1,804,794
Goodwill	174,485	174,485
	2,454,248	1,979,279

	2022 MUR '000	2021 MUR '000
(b) The Company		
Unlisted	Level 3	Level 3
At 1 July	89,908	35,371
Addition (Note (ii))	-	50,000
Fair value adjustment	72,558	4,537
At 30 June	162,466	89,908

2022 - The fair value has been based on a discounted cash flow approach over a period of ten years using the Gordon Growth Model. A WACC of **11.70%** and terminal growth rate of **3.40%** have been used. An increase/decrease in WACC by **5%** would have been decreased/increased the investment fair value by **MUR 27M/MUR 23M.**

2021 - The fair value has been based on a discounted cash flow approach over a period of five years using the Gordon Growth Model. A WACC of 10.73% and terminal growth rate of 3% have been used. An increase/decrease in WACC by 5% would have been decreased/increased the investment fair value by MUR 16M/MUR 18M.

The Directors are of the opinion that there were no indicators of impairment on the investment in joint venture at year end.

Addition

(i) During the year ended 30 June 2022, the group has invested in Ebene Star Investment Ltd for **MUR 29M**, a company involved in the promotion of land and property development.

(ii) During the year ended 30 June 2021, the group has made additional investment of MUR 50M in Anahita Residence and Villas Ltd; with no changes in shareholding.

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

(c) The results of the joint ventures, all of which were incorporated in Mauritius and unlisted, have been included in the consolidated financial statements.

Details of the joint ventures of the Group and Company are as follows:

	Year-end / Reporting date	Effective Percentage holding Direct %	Indirect %	Principal activity
2022				
Anahita Residence and Villas Ltd	June	50	-	Hotels and resorts
Bank One Limited	December	-	50	Banking
Domaine de l'Etoile Limited [1]	June	-	50	Leisure
Solea Vacances SA	June	-	50	Hotels and resorts
Ebene Star Investment Ltd	June	-	50	Land promoter and property developer
Cotona SA	June	-	50	Textile
2021				
Anahita Residence and Villas Ltd	June	50	-	Hotels and resorts
Bank One Limited	December	-	50	Banking
Domaine de l'Etoile Limited	June	-	50	Leisure
Solea Vacances SA	June		50	Hotels and resorts

[1] Domaine de l'Etoile Limited is currently in the process of winding up.

For the joint ventures having a different reporting date, management accounts have been prepared as at June 30, 2022 and 2021 respectively.

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

(d) Summarised financial information in respect of each of the joint ventures is set out below:

	Assets	Liabilities	Revenue	Profit/(loss) for the year	Share of Profit/(loss)	Other comprehensive Income	Share of other Comprehensive Income
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2022							
Anahita Residence and Villas Ltd	627,343	563,446	279,935	19,934	9,967	(5,136)	(2,568)
Bank One Limited	44,529,873	40,857,670	1,168,192	375,338	187,669	(38,224)	(19,112)
Solea Vacances SA	321,582	235,298	1,226,787	39,030	19,515	(10,200)	(5,100)
Ebene Star Investment Ltd	58,103	-	-	-	-	-	-
Domaine de l'Etoile Limited	-	-	-	6,065	3,033	-	-
Cotona SA	2,076,646	1,300,101	1,085,283	(45,816)	(22,908)	-	-
					197,276	(53,560)	(26,780)
2021							
Anahita Residence and Villas Ltd	614,406	565,304	33,503	(136,219)	(68,110)	7,494	3,747
Bank One Limited	47,003,702	43,500,614	1,635,715	133,044	66,522	(88,101)	(44,051)
Domaine de l'Etoile Limited	603	6,511	-	(315)	(157)	-	-
Solea Vacances SA	293,416	134,744	106,063	(15,688)	(7,843)	12,032	6,017
					(9,588)	(68,575)	(34,287)

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

The above amounts of assets, liabilities and results include the following:

	Current Assets	Non-current Assets	Non-current Financial Liabilities	Current Financial Liabilities	Depreciation & Amortisation	Interest Income	Interest Expense
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2022							
Anahita Residence and Villas Ltd	86,617	540,726	382,512	180,934	(22,689)	13,149	-
Bank One Limited	44,529,873	-	-	40,857,670	(87,644)	1,168,192	(321,025)
Solea Vacances SA	316,646	4,936	-	235,298	(855)	1,172	(698)
Ebene Star Investment Ltd	58,103	-	-	-	-	-	-
Cotona SA	1,102,989	973,658	291,443	1,008,658	(9,900)	-	(15,473)
2021							
Anahita Residence and Villas Ltd	35,615	578,791	430,771	134,533	(33,360)	-	(62,262)
Bank One Limited	47,003,702	-	-	43,500,614	(75,801)	1,179,738	(392,074)
Domaine de l'Etoile Limited	243	360	-	6,511	(64)	-	(36)
Solea Vacances SA	291,407	2,009	-	134,744	(1,426)	986	-

13. INVESTMENTS IN JOINT VENTURES (CONT'D)

(e) Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Issue of Shares	Profit/(loss) for the Year	Other Comprehensive income	Dividends	Closing Net Assets	Ownership	Goodwill	Interest in Joint ventures
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2022									
Anahita Residence and Villas Ltd	14,011	-	19,934	(5,136)	-	28,809	14,404	-	14,404
Bank One Limited	3,503,090	-	375,338	(38,224)	(168,000)	3,672,204	1,836,102	174,485	2,010,587
Solea Vacances SA	98,554	-	39,030	(10,200)	-	127,384	63,692	-	63,692
Ebene Star Investment Ltd	-	58,102	-	-	-	58,102	29,051	-	29,051
Domaine de l'Etoile Limited	(6,065)	-	6,065	-	-	-	-	-	-
Cotona SA	-	718,844	(45,816)	-	-	673,028	336,514	-	336,514
							2,279,763	174,485	2,454,248
2021									
Anahita Residence and Villas Ltd	42,736	100,000	(136,219)	7,494	-	14,011	7,005	-	7,005
Bank One Limited	3,458,147	-	133,044	(88,101)	-	3,503,090	1,751,545	174,485	1,926,030
Domaine de l'Etoile Limited	(5,750)	-	(315)	-	-	(6,065)	(3,032)	-	(3,032)
Solea Vacances SA	102,210	-	(15,688)	12,032	-	98,554	49,276	-	49,276
							1,804,794	174,485	1,979,279

14. INVESTMENTS IN ASSOCIATES

ACCOUNTING POLICIES

Separate financial statements

In the separate financial statements of the investor, investments in associates are carried at fair value. Any change in fair value is recognised in other comprehensive income. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

	2022	2021
	MUR '000	MUR '000
(a) The Group		
At 1 July	3,984,327	3,987,741
Redemption	(120)	(485)
Disposals (Note (f))	(22,906)	(3,420)
Other movements	(55,000)	(2,015)
Share of results	234,625	276,892
Share of other comprehensive income	(18,035)	72,845
Dividends	(167,968)	(156,005)
Transfers to non-current assets held for sale (Note 21)	-	(191,226)
At 30 June	3,954,923	3,984,327

Management carried out an impairment assessment at 30 June 2022 based on the present value of future dividend income from its associate. Based on this assessment, no impairment charge has been recognised for the Group (2021: MUR Nil).

14. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The Group (Cont'd)	2022	2021
	MUR '000	MUR '000
Made up as follows:		
Net assets	3,943,072	3,968,312
Goodwill	11,851	16,015
	3,954,923	3,984,327
Group's share of net assets		
Listed	3,606,389	3,524,750
Unquoted	336,683	443,562
	3,943,072	3,968,312

(b) The Company	2022	2021
	Unquoted	Unquoted
	MUR '000	MUR '000
At 1 July	227,040	75,028
Fair value adjustment	(41,953)	152,012
At 30 June	185,087	227,040

(c) The results of the following associated companies, all of which were incorporated in Mauritius, have been included in the consolidated financial statements.

Details of the associates are as follows:

Name of associates	Year-end / Reporting date	Effective percentage holding				Principal activity
		Indirect		Direct		
		2022	2021	2022	2021	
		%	%	%	%	
Alteo Limited	June	20.96	20.96	-	-	Agro-Property
Hygeia Nigeria Limited*	December	-	12.23	-	-	Healthcare
Procontact Limited	June	-	-	47.67	47.67	Call centre
Kibo Capital Partners Ltd	December	37.55	37.55	-	-	Fund management
EastCoast Hotel Investment Ltd	June	15.03	15.03	-	-	Investment holding

For the associates having a different reporting date, management accounts have been prepared as at 30 June 2022 and 2021 respectively.

The Directors confirm that the Company has significant influence over the above associates despite holding less than 20%, through their controlling interests in CIEL Finance, CIEL Healthcare and Sun Limited.

* The indirect stake in Hygeia Nigeria Limited was held through Jersey Hygeia Investment Limited.

** During the year ended 30 June 2022, the investments in Hygeia Nigeria Limited and Hygeia HMO Limited have been disposed.

14. INVESTMENTS IN ASSOCIATES (CONT'D)

(d) Summarised financial information in respect of each of the associates is set out below:

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit/(loss) for the year attributable to owners	Share of profit/ (loss)	Dividends received during the year	Share of other comprehensive income
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
2022									
Alteo Limited	7,738,992	24,440,878	5,589,036	7,441,547	12,117,992	1,012,075	212,131	52,737	(23,025)
Procontact Limited	101,002	34,050	16,974	2,219	215,357	47,233	22,516	7,793	2,124
Kibo Capital Partners Ltd	-	-	-	-	-	(44)	(22)	-	2,866
EastCoast Hotel Investment Ltd	-	-	-	-	-	-	-	107,438	-
							234,625	167,968	(18,035)
2021									
Alteo Limited	7,370,547	23,773,543	5,262,897	7,219,732	9,549,122	1,154,074	241,894	48,064	62,985
Hygeia Nigeria Limited	304,727	732,501	116,647	143,279	638,906	76,486	17,653	-	(645)
Procontact Limited	87,422	15,455	21,400	2,933	188,995	37,910	16,844	4,596	1,899
The Kibo Fund LLC	-	-	-	-	-	-	-	-	8,852
Kibo Capital Partners Ltd	39,263	28,003	11,199	14,555	43,440	1,002	501	-	(246)
EastCoast Hotel Investment Ltd	-	-	-	-	-	(701,306)	-	103,345	-
							276,892	156,005	72,845

14. INVESTMENTS IN ASSOCIATES (CONT'D)

(e) Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening Net Assets	Redemption/ Disposal/ issue of shares	Other movements	Results Net of Dividends	Other Comprehensive Income for the year	Closing Net Assets	Ownership Interest	Goodwill	Transfer to Held for Sale	Interest in Associate
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
2022										
Alteo Limited	17,009,794	-	(261,130)	760,467	(109,851)	17,399,280	3,606,389	-	-	3,606,389
Procontact Limited	78,546	-	(606)	33,138	4,781	115,859	51,476	11,851	-	63,327
Kibo Capital Partners Ltd	40,366	(46,076)	-	(22)	5,732	-	-	-	-	-
EastCoast Hotel Investment Ltd	1,308,817	-	-	(358,127)	-	950,690	285,207	-	-	285,207
							3,943,072	11,851	-	3,954,923
2021										
Alteo Limited	15,784,536	-	46,544	924,756	253,958	17,009,794	3,524,750	-	-	3,524,750
Hygela Nigeria Limited	733,999	-	77,420	-	-	811,419	187,062	4,164	(191,226)	-
Procontact Limited	46,704	-	-	27,568	4,274	78,546	34,898	11,851	-	46,749
The Kibo Fund LLC	(10,541)	10,541	-	-	-	-	-	-	-	-
Kibo Capital Partners Ltd	40,340	(485)	-	1,002	(491)	40,366	20,183	-	-	20,183
EastCoast Hotel Investment Ltd	2,010,123	-	-	(701,306)	-	1,308,817	392,645	-	-	392,645
							4,159,538	16,015	(191,226)	3,984,327

14. INVESTMENTS IN ASSOCIATES (CONT'D)

(f) During the year the investment in KIBO Fund LLC was disposed as follows:

	KIBO Capital Partners Ltd (KCP)	KIBO Fund LLC (KIBO1)
	2022	2021
The Group	MUR '000	MUR '000
Consideration received or receivable:		
Cash	1,112	25,101
Amount receivable	21,558	5,629
Total disposal consideration	22,670	30,730
Carrying amount of net assets sold (Note (a))	(22,906)	3,420
(Loss)/Profit on disposal before reclassification of translation reserve	(236)	34,150
Reclassification of translation reserve	5,949	(7,472)
Profit on disposal after reclassification of translation reserve (Note 5(a))	5,713	26,678

The Group's share of the fair value reserves of KCP and KIBO1 has been reclassified to retained earnings upon disposal of the investment.

The fair value of the Group's interest in associates which are listed/quoted on the Stock Exchange of Mauritius is as follows as at 30 June 2022 and 2021 respectively:

	2022	2021
	MUR '000	MUR '000
Alteo Limited	2,122,820	1,722,288

15. INVESTMENTS IN OTHER FINANCIAL ASSETS

ACCOUNTING POLICIES

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI) comprise equity securities which are not held for trading, and which the group has irrevocable elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

The movement in investments in other financial assets are summarised as follows:

(a) The Group	Level 1 DEM Quoted	Level 3 Unquoted	Total
	MUR '000	MUR '000	MUR '000
2022			
At 1 July	40	459,812	459,852
Addition	-	13,904	13,904
Transfer from investment in subsidiary	-	2,419	2,419
Translation adjustment	(20)	(109)	(129)
Capital distribution	-	(32,074)	(32,074)
Write offs	-	(5,547)	(5,547)
Fair value adjustment	-	26,658	26,658
At 30 June	20	465,063	465,083
2021			
At 1 July	40	372,449	372,489
Addition	-	3,912	3,912
Translation adjustment	-	2,550	2,550
Disposals	-	(6,292)	(6,292)
Fair value adjustment	-	87,193	87,193
At 30 June	40	459,812	459,852

15. INVESTMENTS IN OTHER FINANCIAL ASSETS (CONT'D)

(b) The Company - Level 3 Unquoted

	MUR '000
2022	
At 1 July	25,011
Fair value adjustment	795
At 30 June	25,806
2021	
At 1 July	28,928
Fair value adjustment	(3,917)
At 30 June	25,011

(c) Details of those companies, other than subsidiary and associated companies, in which the Company holds more than 10% of the issued shares are:

Name of company	Class of shares held	Percentage Holding 2022	Percentage Holding 2021
		%	%
Cathedrale Development Ltd*	Ordinary shares	20.00	20.00

* The Company does not exercise any significant influence on the above company and, as such, has not accounted for this investment as an investment in associate.

(d) Other financial assets are denominated in the following currencies:

	THE GROUP 2022	THE GROUP 2021	THE COMPANY 2022	THE COMPANY 2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Rupee	183,616	194,125	25,806	25,011
US Dollar	266,293	250,515	-	-
Ariary	15,174	15,212	-	-
	465,083	459,852	25,806	25,011

(e) None of the financial assets are impaired.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

ACCOUNTING POLICIES

Initial Recognition

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received and makes adjustments specific to the lease, e.g. term, country, currency and security. The incremental borrowing rates range from 5% to 17.24%.

Subsequent measurement

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Subsequent measurement (Cont'd)

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Lease term

The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. For certain instances where it is impractical to separate the lease from the non-lease component, the Group will account for them as a single lease component. In determining the lease term, management considers all the facts and circumstances that can create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods with termination options) are only included in the lease term if the lease term is reasonably certain to be extended (or terminated).

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options across the segment are only included in the lease term if the lease is reasonably certain to be extended. These are used to maximise operational flexibility in terms of managing the assets used in the segment's operations. The factors influencing the decision to exercise these options include the location of the assets, some being on prime locations along the coast of the island, and the costs that would be incurred to set up a whole new building to operate in the event of termination.

Lease and non-lease component

Contracts may contain both lease and non-lease components. The segment allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the segment is a lessee, it has elected not to separate lease and non-lease components and instead account for these as a single lease component.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Textile

The textile segment leases various offices, warehouses and factories. Rental contracts are typically made for fixed periods of 1 to 10 years but may have extension options. The facts and circumstances would include whether renewing the lease of the asset would have commercial value: how the asset could be used by the entity for its operations and to generate income.

The weighted average incremental borrowing rate stands at **7.35%-8%** (2021: 7.35%).

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Textile (Cont'd)

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Healthcare

The Healthcare Segment leases various buildings and motor vehicles. The contract duration ranges from 6 months to 50 years. Until year 2018, the leases were treated as operating lease and as from July 2019, the leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. The discount rate used is **5.35%** (2021: 5.35%) for C-Care for the main lease being the land & building at Wellkin.

In November 2020, the healthcare segment signed an agreement for 20 years with Mont Choisy Smart City for Ltd for the rental of premises for the operation of a new clinic. The building to be used for the clinic is still under construction. As per the terms of the contract, rental payment should start 3 months after practical completion date following which lease will be accounted as right of use assets.

Hotels and Resorts

Lease liabilities relate to:

- The right-of-use of property, plant and equipment with an average duration varying between 4 and 5 years and for which the Group has the option to purchase the asset for a nominal amount at the expiry of the lease arrangements; and
- Leases of rooms under the Invest Hotel Scheme which run for a period between 52 and 59 years.
- Other leasehold land and buildings which run for a period between 25 to 60 years.

The segment's leases are secured by the lessors' title to the leased assets.

The incremental borrowing rate on lease liabilities ranged from **2.20% to 7.05%** (2021: 5.00% to 7.05%).

Effective 1 July 2021, the Government amended the State Lands Act to change the timing of payment of annual rental for hospitality operators from 1 July of each year (payable in advance) to 30 June of each year (payable in arrear). This amendment resulted in a decrease in the present value of future cashflows recognised under lease liabilities (IFRS 16). Lease liabilities were subsequently adjusted and the impact of the re-assessment was credited to profit or loss as a gain under other income.

The short term leases under this segment comprises the lease of motor vehicles.

Financial Services

The segment has leases for buildings and motor vehicles. Leases have remaining lease terms between 1 and 7 years, some of which may include options to extend the leases for up to 3 years, and some of which may include options to terminate the leases within 1 year.

The incremental borrowing rate on lease liabilities ranged from **6.25%** to **8.5%** (2021: 6.25% to 8.5%) for the segment.

The short term leases relate to the lease of certain bank branches across Madagascar.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

THE GROUP

(a)	Land and Buildings	Motor Vehicles	Others	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Balance as at 1 July 2021	2,762,789	33,448	15,004	2,811,241
Additions	338,961	16,990	-	355,951
Amortisation	(192,177)	(14,386)	(5,728)	(212,291)
Disposals	(14,347)	(311)	-	(14,658)
Lease modification	170,211	-	-	170,211
Asset written off	(3,421)	(1,571)	-	(4,992)
Translation adjustments	(6,842)	-	-	(6,842)
Right-of-use assets, 30 June 2022	3,055,174	34,170	9,276	3,098,620
Balance as at 1 July 2020	2,992,960	28,950	16,185	3,038,095
Additions	258,856	19,403	3,412	281,671
Amortisation	(158,980)	(13,240)	(4,593)	(176,813)
Disposals	(359,060)	(1,665)	-	(360,725)
Translation adjustments	29,013	-	-	29,013
Right-of-use assets, 30 June 2021	2,762,789	33,448	15,004	2,811,241

	2022	2021
	MUR '000	MUR '000
Lease liabilities:		
Current	258,047	250,659
Non-current	3,206,216	3,014,504
	3,464,263	3,265,163

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

THE GROUP

	2022 MUR' 000	2021 MUR' 000
(b) The statement of profit or loss shows the following amounts relating to leases:		
Amortisation of right-of-use assets	212,291	176,813
Interest on lease liabilities	219,634	220,249
Expenses relating to leases of low-value assets and short-term leases (Note 5)	310,709	76,821
Lease concessions	-	(99,053)
Total lease cost	742,634	374,830
The total cash outflow for leases was as follows:		
Repayment of principal element of leases	239,241	204,389
Other information:		
Weighted Average Remaining Lease Term	17.00	4.58

17. OTHER RECEIVABLES

ACCOUNTING POLICIES

Other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

	THE GROUP	
	2022 MUR' 000	2021 MUR' 000
Receivable from sale of land		-
Long-term deposits	54,224	32,338
Loans under Executive Share Scheme (Note (a))	16,920	16,920
Others	10,536	-
	81,680	49,258

(a) Loans under Executive Share Scheme were granted to key executives where cash was advanced to certain individuals to acquire shares in the Company at market value at grant date. The terms of the scheme were such that when the shares are disposed, the proceed is to be used to settle the loan advanced. The loan carries interest of 3% which is payable half yearly in December and June. The interest for the year has been waived by the Board. The scheme has now been discontinued and replaced by the Phantom Share Option Scheme which does not significantly impact the financial statements.

18. INVENTORIES

ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in and first-out realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

Raw materials - purchase cost on a weighted average cost basis.

Finished goods and work-in-progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

	THE GROUP	
	2022 MUR' 000	2021 MUR' 000
Raw materials	1,945,703	1,248,386
Work in progress	1,050,508	651,087
Finished goods	1,234,379	1,121,157
Other stock	16,077	31,941
Food and beverages	55,692	38,007
Operating supplies	201,328	168,381
Spare parts	235,921	83,457
Fabric and linen	7,878	15,359
Goods in transit	412,950	435,840
Less :		
Provision for impairment of inventories*	(14,861)	(30,999)
Write offs	(14,900)	(17,763)
	5,130,675	3,744,853

The cost of inventories recognised as an expense is **MUR 9.7Bn** (2021: MUR 6.4Bn).

Some of the inventories have been pledged as security for the borrowings of the Group.

Impairment of inventories

	Cash generating unit / Company	Reportable segment	Statements of Profit or loss	
	MUR '000		2022 MUR '000	2021 MUR '000
Impairment and write offs charged				
- Textile segment: stocks	Textile	Mauritius	12,148	16,800
- Hotel segment: Inventories	Retail operations	Mauritius	-	4,705
- Healthcare segment: consumables	Healthcare	Mauritius	17,613	27,257
			29,761	48,762

* Above impairment charges exclude the income tax impact

19. TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade receivables are amount due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current asset. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore, measure them subsequently at amortised cost using the effective interest method. Detail about the Group's impairment policies and the calculation of the loss allowance is provided in note 45(a).

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Trade receivables	4,423,065	2,591,199	-	-
Less: Loss allowance on receivables (Note 19(f))	(222,977)	(256,316)	-	-
	4,200,088	2,334,883	-	-
Receivable from subsidiary companies (Note 44)	-	-	555,533	316,428
Receivable from associated companies (Note 44)	32,462	27,961	376	380
Receivable from related corporations (Note 44)	9,018	87,539	-	-
Export documentary remittances	2,449,652	1,632,865	-	-
Other receivables and prepayments (Note 19(a))	857,190	725,907	877	1,857
Advance payments	351,364	555,788	-	-
Prepayments	517,774	246,969	191	118
	8,417,548	5,611,912	556,977	318,783
(a) Other receivables				
Other receivables consist of:				
Taxes and grants	581,634	318,875	-	-
Deposits	16,816	16,260	-	-
Others	258,740	390,772	877	1,857
	857,190	725,907	877	1,857

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Other receivables (Cont'd)

The carrying amounts of trade and other receivables approximate their fair value as they are deemed short-term in their nature and recoverable within 12 months.

The Group does not hold any collateral as security but for the hotels and resorts segment, there is an insurance cover against irrecoverable debts.

The receivables from associated companies, related corporations and other receivables are neither past due nor impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable, net of insurance cover.

(b) Ageing of past due trade receivables but not impaired

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Within 31 - 60 days	406,751	143,271
Within 61 - 90 days	69,100	67,744
Over 90 days	148,792	129,369
	624,643	340,384

The remaining balance of trade receivables is neither past due nor impaired.

(c) The carrying amounts of the Group's trade and other receivables, excluding taxes and grants, advance payments, prepayments and deposits are denominated in the following currencies:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
MUR	711,299	535,397
MGA	2,768,508	1,633,144
USD	1,743,949	733,232
EUR	415,405	350,586
GBP	311,327	132,058
ZAR	402,869	352,114
INR	430,245	581,874
Others	166,358	155,615
	6,949,960	4,474,020

(d) Impairment of trade receivables

The expected loss rates are based on the payment profiles of clients over a period of 36 months before 1 July 2021, or 1 July 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, inflation and unemployment rate of Mauritius, India, Uganda and Madagascar to be the most relevant factors, and accordingly has adjusted the historical loss rates based on expected changes in these factors.

19. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) As of 30 June 2022, trade and other receivables of **MUR 223M** (2021: MUR 256M) were impaired. The individually impaired receivables relate to customers, which are in unexpected difficult situation. The ageing of these receivables are as follows:

	THE GROUP				
	Current	Within 31- 60 days	Within 61- 90 days	Over 90 days	Total
2022					
Expected credit loss rate (%)	0.59%	2.45%	3.10%	28.67%	5.04%
Gross carrying amount (MUR' 000)	3,270,603	362,197	123,659	666,606	4,423,065
Loss allowance (MUR' 000)	19,145	8,868	3,836	191,128	222,977
2021					
Expected credit loss rate (%)	0.26%	1.67%	3.90%	59.86%	9.89%
Gross carrying amount (MUR' 000)	1,764,603	273,494	149,811	403,291	2,591,199
Loss allowance (MUR' 000)	4,619	4,555	5,847	241,295	256,316

(f) The closing loss allowances for trade and other receivables reconcile to the opening loss allowances as follows:

	2022	2021
	MUR' 000	MUR' 000
At 1 July	256,316	336,809
Amounts written off	(54,496)	(144,877)
Provision for the year	20,143	65,313
Translation reserve	1,014	(929)
At 30 June	222,977	256,316

(g) In 2022, the impairment of trade receivables was assessed based on the expected credit loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. Taxes and grants, prepayments and advance payments are not financial assets and so are not subject to expected credit loss under IFRS 9. The other receivables comprise mainly overnight borrowings held by the subsidiary bank, which are repaid on the next day, hence no impairment was deemed necessary.

20. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents include highly liquid investments that are convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are normally those with less than three months maturity from the date of acquisition.

For the purposes of the statement of cash flows, cash and cash equivalents comprises cash and balances with banks and central banks excluding mandatory balances with central banks, loans to placements with banks having an original maturity of up to 3 months. Cash and cash equivalents are measured at amortised cost. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Cash in hand	1,334,939	1,715,540	-	-
Foreign currency notes and coins	169,057	134,792	-	-
Balances with the Central Bank	4,124,089	3,029,100	-	-
Balances due in clearing	(14,264)	22,899	-	-
Balances with banks	3,439,375	2,747,510	12,325	6,744
Placements	3,648,438	2,281,334	-	53
	12,701,634	9,931,175	12,325	6,797
Broken down as follows:				
Banking segment	9,755,292	7,376,395	-	-
Non-banking segment	2,946,342	2,554,780	12,325	6,797
	12,701,634	9,931,175	12,325	6,797

The balances with the central bank relate to cash held at Central Bank of Madagascar for BNI Madagascar SA.

21. ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

ACCOUNTING POLICIES

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(a) An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

	THE GROUP	
	2022	2021
The movement for the year is as follows:	MUR' 000	MUR' 000
At 1 July	1,403,473	131,969
Disposal	(516,412)	(10,117)
Transfer (to) / from investment in associates (Note 14)	-	191,226
Transfer to investment in joint ventures (Note 13)	(361,746)	-
Transfer from discontinued operations (Note (b))	59,331	1,110,603
Transfer to investment properties (Note 10)	(379,700)	-
Fair value adjustments (Note 5)	-	(20,106)
Others *	(145,615)	(102)
As at 30 June	59,331	1,403,473

* Others relate to reclassification of assets and liabilities to their respective line items in the consolidated statement of financial position.

21. ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE (CONT'D)

(b) Assets held-for-sale consist of land, which was earmarked for sale by Ferney Limited in 2020 and sold in 2021.
During the year ended 30 June 2022, the investments in Hygeia Nigeria Limited and Hygeia HMO Limited have been disposed.
The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at June 30, 2022:

	2022	2021
	MUR' 000	MUR' 000
Assets classified as held for sale		
- Property, plant and equipment	3,604	760,762
- Intangible assets (Note 11)	19,070	2,617
- Deferred income tax assets	555	2,248
- Inventories	-	270,696
- Trade and other receivables	8,535	64,233
- Cash and cash equivalents	27,567	10,047
Total assets classified as held for sale	59,331	1,110,603

	2022	2021
	MUR' 000	MUR' 000
Liabilities directly associated with assets classified as held for sale		
- Deferred income tax liabilities	-	26,861
- Retirement benefit obligations	3,768	22,801
- Trade and other payables	6,401	135,040
- Fair value liability on forward contracts	-	942
- Borrowings	-	374,952
- Current income tax liabilities	258	161
Total liabilities associated with assets classified as held for sale	10,427	560,757

22. LOANS AND ADVANCES TO CUSTOMERS

ACCOUNTING POLICIES

The Group only measures loans and advances and other financial investments 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 the financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments and are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

	THE GROUP	
(a)	2022	2021
	MUR' 000	MUR' 000
Retail	3,018,063	2,666,639
Civil servants	2,836,696	2,033,219
Professional – SME	1,862,132	857,089
Mid-Cap	4,452,752	4,154,335
Institutional	707,021	100,169
Corporate customers	13,249,117	11,454,398
	26,125,781	21,265,849
Less allowances for credit impairment:		
Individual	(467,937)	(372,323)
Civil servants	(50,410)	(30,229)
Professional – SME	(390,364)	(259,019)
Mid-Cap	(470,370)	(413,208)
Institutional	(6,192)	(2,936)
Corporate customers	(458,851)	(320,021)
	(1,844,124)	(1,397,736)
	24,281,657	19,868,113
Less: Non-current portion	(11,284,467)	(6,810,443)
Current portion	12,997,190	13,057,670

22. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

	2022	2021
	MUR' 000	MUR' 000
(b) Remaining terms to maturity		
Within one year	12,997,190	13,057,670
Over 1 year and up to 5 years	3,063,646	6,810,443
Over 5 years	8,220,821	-
	24,281,657	19,868,113
(c) Allowance for credit impairment		
At July 1	1,397,736	1,124,834
Provision for credit impairment for the year (Note 7(b))	433,801	220,535
Foreign currency translation adjustment	12,587	52,367
At 30 June	1,844,124	1,397,736

23. LOANS TO BANKS

ACCOUNTING POLICIES

The Group only measures loans and advances and other financial investments 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 the financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

	THE GROUP	
(a)	2022	2021
	MUR' 000	MUR' 000
At 1 July	-	40,297
Net movement in loans to banks	-	(40,304)
Allowance for impairment	-	7
At 30 June	-	-
Loans to banks - non-current	-	-
Loans to banks - current	-	-
	-	-
Remaining terms to maturity		
Within one year	-	-
Over 1 year and up to 5 years	-	-
	-	-
Allowance for credit impairment		
At July 01	-	(7)
Provision for credit impairment (Note 7(b))	-	7
At June 30	-	-

24. INVESTMENTS IN SECURITIES

ACCOUNTING POLICIES

Investments in securities have been assessed as having a business model of holding to collect contractual cash flows comprising solely of payments of principal and interest. Accordingly, these instruments have been classified at amortised cost under the effective interest method.

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
At 1 July	6,208,017	4,712,534
Additions	2,136,750	2,655,345
Matured during the year	(1,971,352)	(1,356,939)
Provision for credit impairment for the year (Note (a))	1,208	(1,413)
Translation adjustment	(39,374)	198,490
At 30 June,	6,335,249	6,208,017

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Non-current	4,192,295	3,753,001
Current	2,142,954	2,455,016
Remaining terms to maturity		
Within one year	2,142,954	2,455,016
Over 1 year and up to 5 years	4,192,295	3,753,001
At 30 June,	6,335,249	6,208,017

The investments in securities are denominated in Ariary.

The current securities denominated in Ariary have coupon rates ranging from **7.00% to 13.15%** (2021: 7.00% to 13.15%).

The non-current securities have coupon rates ranging from **7.90% to 10.30%** (2021: 7.90% to 10.30%). None of the financial assets are either past due or impaired.

24. INVESTMENTS IN SECURITIES (CONT'D)

(a) Allowance for credit impairment	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
At 1 July	(2,421)	(918)
Provision for credit impairment for the year (Note 7(b)(ii))	1,208	(1,413)
Foreign currency translation adjustment	(23)	(90)
At 30 June,	(1,236)	(2,421)

25. STATED CAPITAL AND TREASURY SHARES

ACCOUNTING POLICIES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from proceeds. Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received is included in equity attributable to the Company's equity holders.

	THE GROUP AND THE COMPANY		
	Stated Capital	Treasury Shares	Total
	MUR '000	MUR '000	MUR '000
At 1 July 2020	5,139,579	(18,005)	5,121,574
Issue of shares on exercise of rights (Note 1)	1,415	3,381	4,796
At 30 June 2021	5,140,994	(14,624)	5,126,370
Issue of shares on exercise of rights (Note 2)	308	164	472
At 30 June 2022	5,141,302	(14,460)	5,126,842

25. STATED CAPITAL AND TREASURY SHARES (CONT'D)

	THE GROUP AND THE COMPANY		
	Stated Capital	Treasury Shares	Total
	Number of shares	Number of shares	Number of shares
	'000	'000	'000
At 1 July 2020	1,689,901	(3,149)	1,686,752
Issue of shares on exercise of rights (Note 1)	-	693	693
At 30 June 2021	1,689,901	(2,456)	1,687,445
Issue of shares on exercise of rights (Note 2)	-	115	115
At 30 June 2022	1,689,901	(2,341)	1,687,560

The shares have no par value. All stated capital is fully paid.

Note 1

During the year 2021, executives of the Group have exercised their rights to acquire 693,434 of CIEL Limited ordinary shares under the Executive Share Remuneration Scheme.

Note 2

During the year 2022, executives of the Group have exercised their rights to acquire 114,862 of CIEL Limited ordinary shares under the Executive Share Remuneration Scheme.

26. REDEEMABLE RESTRICTED A SHARES

	THE GROUP AND THE COMPANY	
	Redeemable Restricted A Shares	Number of Shares
	MUR '000	000's
At 30 June 2021 and 2022	**39,233**	**3,008,887**

At a Special Meeting held on 30th October 2013, shareholders approved that the share capital of the company be reorganised into 2 classes of shares, as follows:

- Existing Ordinary Shares which hold all economic rights including the right to dividends and voting rights.

Shareholders of the Company had the option for every Ordinary Share held by them after the share split, to choose between receiving:

(i) Either a cash dividend of 5 cents;

(ii) Or 4 'Redeemable Restricted A Shares'.

The rights attached to the Redeemable Restricted A Shares are as follows:

(i) The right to vote at general meetings and, on a poll, to cast one vote for each share held;

(ii) The right to participate in a rights issue together with the holders of Ordinary Shares on the condition that the holders of each class of shares shall be entitled to subscribe to Shares of that class only;

(iii) No right to any distribution;

(iv) No right to any surplus assets of the company in case of winding up;

(v) No right to be transferred except with the consent of the holders of at least 75% of the shares of that class.

The Redeemable Restricted A Shares shall be redeemed at the option of the Company for no consideration, should the holders either directly or indirectly through successive holding entities, in aggregate, hold less than 10% of the issued Ordinary Shares in the capital of the Company.

27. OTHER COMPREHENSIVE INCOME

(a) Reserves

The Group	Revaluation Surplus	Fair value	Hedging Reserve	Translation of Foreign Operations	Other Reserves	Actuarial Reserves	Share appreciation rights scheme	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Balance at 1 July 2021	4,480,149	121,781	(263,260)	66,945	259,348	(324,144)	472	4,341,291
Other comprehensive income for the year	899,332	20,347	325,904	(4,330)	-	(9,750)	-	1,231,503
Employee share option scheme	-	-	-	-	-	-	(472)	(472)
Reclassification of revaluation reserve on transfer of property, plant and equipment to investment property	(243,653)	-	-	-	-	-	-	(243,653)
Disposal of assets classified as held for sale	-	-	-	51,616	-	-	-	51,616
Movement on banking reserve (Note (i))	(6,665)	-	-	-	69,714	-	-	63,049
Balance at 30 June 2022	**5,129,163**	**142,128**	**62,644**	**114,231**	**329,062**	**(333,894)**	**-**	**5,443,334**
Balance at 1 July 2020	3,813,366	53,989	(62,598)	(135,042)	259,348	(391,369)	5,268	3,542,962
Other comprehensive income for the year	560,645	67,792	(200,662)	201,987	-	67,225	-	696,987
Issue of shares	-	-	-	-	-	-	(4,796)	(4,796)
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings (Note (ii))	65,978	-	-	-	-	-	-	65,978
Other movements	40,160	-	-	-	-	-	-	40,160
Balance at 30 June 2021	4,480,149	121,781	(263,260)	66,945	259,348	(324,144)	472	4,341,291

Movements are mainly made up of:

(i) Statutory reserve, which comprises the accumulated annual transfer of 15% of the net profit for the year in line with Article 41 of Ordinance n° 88-005 dated 15th April 1988 pertaining to the regulations applicable to the banking sector in Madagascar. Movements in the General Banking Reserve is at the discretion of BNI Madagascar, and the shareholders choose to increase the reserve by the profit for the year net of dividends payable and the amount transferred to statutory reserve.

(ii) Movement of MUR 65M relates to transfer of revaluation losses from revaluation reserve to retained earnings on disposal of an associate.

27. OTHER COMPREHENSIVE INCOME (CONT'D)

The Group

(i) Revaluation surplus

The revaluation surplus relates to the revaluation of property.

(ii) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

(iii) Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

(iv) Translation of foreign operations

The translation reserve comprises all foreign currency difference arising for the translation of the financial statements of foreign operation.

(v) Other reserves

Other reserves comprise of the banking reserve which comprise provisions in line with the Bank of Mauritius macroprudential guidelines.

(vi) Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

(vi) Actuarial gains/(losses)

The Company

	Fair Value Reserve	Fair Value Reserve
	2022	2021
	MUR '000	MUR '000
Fair value adjustment	5,427,916	5,419,624

(i) Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) that has been recognised in other comprehensive income until investments are derecognised or impaired.

27. OTHER COMPREHENSIVE INCOME (CONT'D)

(b) Convertible bonds

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
At 1 July	2,264,792	-
Additions	550,000	2,275,000
Front-end fee paid	(2,400)	(12,300)
Front-end fee transferred to prepayment	-	3,600
Legal fees	-	(1,508)
At 30 June	2,812,392	2,264,792

During the year, SUN Group received additional tranches of MUR 550M from the committed Mauritius Investment Corporation Ltd ("MIC"), funding of MUR 3.1Bn comprising of 310 bonds of MUR 10M each.

One of the main objectives of the MIC is to provide financial support to companies impacted by the Covid-19 pandemic and in particular to the tourism sector which has been impacted the most due to the full border closure. The MIC support is in the form of redeemable convertible bonds to companies which require urgent working capital to sustain their viability.

Key terms and conditions of the funding arrangements are as follows:

- The bonds shall be issued in four equal tranches.

The maturity date is 9 years from first disbursement of the first tranche of the subscription proceeds, that is, on 14 December 2029.

- The conversion rate has been pre-determined prior to the subscription.
- All outstanding bonds will be converted into ordinary shares at a pre-agreed rate and price on maturity date.
- The interest rates range between 3.00% to 3.25% p.a. over the duration of the bonds (from issue date to the earlier of the redemption date or the conversion date). The interest is payable on the last day of each interest period. On maturity date, any unpaid capital and interest is converted into ordinary shares in accordance with the predetermined conversion price.
- The conversion price is subject to certain adjustments such as capitalisation of profit or reserves, capital distribution, rights issues, share split, amongst others.
- Redemption of the bonds shall be at the option of the issuer. The issuer may redeem some or all the bonds, any time prior to the maturity date. The option price shall be determined as follows:
    - if redemption happens before the 4th anniversary of the first subscription, the redemption price shall be the nominal amount,
    - if redemption happens after the 4th anniversary of the first subscription, the redemption amount shall be 100.5% of the nominal amount.

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.

29. BORROWINGS

ACCOUNTING POLICIES

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
Current	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Bank overdrafts	1,080,828	739,197	-	84,557
Bank loans repayable by instalments	1,031,555	554,311	-	-
Fixed and floating rate secured notes (Note (b))	781,762	1,590,092	417,282	33,880
Cash at call with non-subsidiaries	20,465	13,496	-	4,042
Cash at call with related parties (Note 44)	-	-	48,071	96,239
Other loans (Note (d))	3,530,992	2,783,448	-	-
Money market line	69,368	-	-	-
Export bills and vendors' financing	1,590,466	1,417,273	-	-
Import loans	1,891,560	1,144,993	-	-
	9,996,996	8,242,810	465,353	218,718
Non-current				
Bank loans repayable by instalments (Note (c))	4,556,312	4,827,731		-
Fixed and floating rate secured notes (Note (b))	4,901,254	6,279,091	2,604,635	2,984,635
Other loans (Note (d))	598,732	-	-	-
Export bills and vendors' financing	19,648	-	-	-
	10,075,946	11,106,822	2,604,635	2,984,635
Total borrowings	20,072,942	19,349,632	3,069,988	3,203,353

29. BORROWINGS (CONT'D)

(a) The bank borrowings are secured by fixed and floating charges over the assets of the Group.

(b) Break-down of the nominal value of the notes based on maturity and coupon rate is as follows:

CIEL Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2018	5 years	4.00%	3,800	380,102
2018	7 years	4.98%	3,000	300,000
2018	10 years	5.45%	2,900	290,000
2019	7 years	4.29%	3,000	300,000
2019	7 years	4.95%	1,000	100,000
2019	8 years	4.53%	3,000	300,000
2019	8 years	5.15%	1,000	100,000
2019	10 years	5.45%	880	88,000
2019	10 years	4.95%	120	12,000
2019	15 years	5.60%	1,000	100,000
2020	10 years	5.45%	530	530,000
2021	10 years	5.45%	500	500,000
				3,000,102

CIEL Finance Limited

The fixed rate secured notes include an amount of MUR 500M taken in September 2019 by the Company. The break-down of the notes based on maturity and interest rate broken down is as follows:

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2019	5 years	4.50%	150,000	150,000
2019	6 years	4.62%	175,000	175,000
2019	7 years	4.76%	175,000	175,000
				500,000

29. BORROWINGS (CONT'D)

SUN Limited

Date of issue	Maturity	Coupon rate	No of notes issued	MUR '000
2016	7 years	6.50%	958,276	958,276
2016	7 years	3.95%	336,024	336,024
2020	2 years 7 months	2.63%	8,000	364,480
2020	4 years 7 months	2.63%	8,500	387,260
2020	6 years 7 months	2.63%	8,500	387,835
2020	9 years 7 months	3.70%	5,000	227,225
				2,661,100

(c) Non-current bank loans repayable by instalments can be analysed as follows: -

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
- after 1 year and before 2 years	874,661	1,146,391
- after 2 years and before 3 years	1,005,022	858,525
- after 3 years and before 5 years	1,624,456	1,608,910
- after 5 years	1,052,173	1,213,905
	4,556,312	4,827,731

(d) Other loans

Other loans include overnight facilities taken in June 2022 from the Central Bank of Madagascar amounting to MGA 300bn with a fixed coupon rate of 7% and from Bank One amounting to MGA 20.3Bn with a fixed coupon rate of 1.6%. They also include a loan contracted by BNI Madagascar in January 2022 with Proparco for EUR 10M which has a term of 60 months and bears a fixed coupon rate of 7.66% per annum.

29. BORROWINGS (CONT'D)

(d) Other loans (Cont'd)

All borrowings are denominated in MUR except for the below:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(i) Proparco loans denominated in Euros	468,659	-
(ii) Social security authority denominated in Ariary		
(i) Overnight facility	3,300,000	2,180,000
(ii) Central Bank of Madagascar	-	457,800
(iii) Other banks	224,101	-
	3,992,760	2,637,800
Repayable:		
Within one year	3,530,992	2,783,448
After one year but before two years	12,342	-
After two years but before three years	17,251	-
After three years but before five years	20,027	-
After five years	549,112	-
	4,129,724	2,783,448

29. BORROWINGS (CONT'D)

(e) The effective interest rates at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	%	%	%	%
Mauritian rupee				
Bank overdrafts	2.90 - 7.70	2.95 - 4.10	4.5	4.1
Bank loans repayable by instalments	2.55 - 3.85	2.55 - 3.85	-	-
Fixed rate multicurrency notes	1.5 - 7.05	1.86 - 6.68	4.00 - 5.60	4.00 - 5.60
Floating rate notes	-	-	2.85 - 3.90	2.85 - 3.90
Expert bills and vendors' financing	4.5	4.1	-	-
Money market line	2.95	2.50 - 2.80	2.50 - 2.80	2.50 - 2.80
US Dollar				
Bank overdrafts	SOFR + 1.50/+2.50	Libor + 1.5/+ 2.50/+3.25	-	-
Bank loans repayable by instalments	-	2.00 - 3.90	-	-
Finance lease obligations	SOFR + 1.00/+1.25	-	-	-
Export bills and vendors' financing	SOFR + 1.50/+2.40/+2.75	Libor + 1.5/+ 2.4	-	-
Euro				
Bank overdrafts	Euribor + 1.50/+ 2.50	Euribor + 1.5/+ 2.5	-	-
Bank loans repayable by instalments	-	-	-	-
Export bills and vendors' financing	Euribor + 1.50/+ 2.40	Euribor + 1.5/+ 2.4	-	-
Indian Rupee				
Bank overdrafts	8.50 - 9.00	8.10 - 8.70	-	-
Other currencies	17.5	17.5	-	-

29. BORROWINGS (CONT'D)

(f) The carrying amounts of the borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Rupee	6,501,863	7,984,216	3,069,988	3,203,354
Euro	7,816,257	5,104,429	-	-
US dollars	989,535	2,335,580	-	-
UK Pound	299,197	378,389	-	-
INR	936,918	635,789	-	-
Ariary	3,300,000	2,637,800	-	-
Others	229,172	273,429	-	-
	20,072,942	19,349,632	3,069,988	3,203,354

The carrying amounts of borrowings are not materially different from their fair values.

The bills discounted and the import loans are secured by fixed and floating charges over the assets of the CIEL Textile Limited.

29. BORROWINGS (CONT'D)

(g) The carrying amounts of assets pledged as security for current and non-current borrowings are:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Non-current assets				
Fixed and floating charge				
Property, plant and equipment	21,017,709	21,811,113	-	-
Right-of-use assets	12,935	2,398,036	-	-
Investment properties	3,799,217	2,943,829	-	-
Intangible assets	27,005	72,704	-	-
Investments in subsidiaries	1,747,913	5,391,279	10,706,525	8,691,791
Investments in joint ventures	1,870,046	1,854,517	-	-
Investments in associates	287,207	416,198	-	-
Investments in other financial assets	244,698	420,894	-	-
Deposit on investments	24,029	14,772	-	-
Non-current receivable	54,224	16,920	-	-
Total non-current assets pledged as security	29,084,983	35,340,262	10,706,525	8,691,791
Current assets				
Fixed and floating charge				
Inventories	4,947,764	3,744,850	-	-
Trade and other receivables	4,396,973	3,308,536	-	-
Cash and cash equivalents	2,081,882	1,989,785	-	-
Investment in other financial assets	-	2,166	-	-
Trade and other receivables	1,482	16,082	-	-
Total current assets pledged as security	11,428,101	9,061,419	-	-

30. DEFERRED INCOME TAXES

ACCOUNTING POLICIES

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of **17%** (2021 - 17%).

There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred taxes relate to the same fiscal authority. The following amounts are shown in the statement of financial position:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Deferred income tax liabilities	1,841,764	1,359,649
Deferred income tax assets	(350,723)	(419,361)
	1,491,041	940,288

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profit is probable.

Deferred income tax assets arise from the Textile, Healthcare and Hotel segments. The former two segments are profitable and hence the deferred income tax assets are deemed recoverable. The Hotel segment has made an assessment on the recoverability of its deferred income tax assets and concluded that these will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries.

At the end of the reporting period, the Group had unrecognised deferred tax assets of **MUR 148M** (2021 – MUR 192M).

30. DEFERRED INCOME TAXES (CONT'D)

ACCOUNTING POLICIES (CONT'D)

(a) The movement on the deferred income tax account is as follows:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
At 1 July	940,288	1,060,014
Underprovision/(Overprovision) of deferred tax in previous years (Note 35)	4,621	6,398
Translation difference	4,935	3,575
Charged/(Credited) to profit or loss (Note 35)	124,219	(256,212)
(Credited)/Charged to other comprehensive income	397,157	151,126
Transfer from/(to) assets/liabilities classified as held for sale	19,821	(24,613)
At 30 June	1,491,041	940,288

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority, is as follows:

The Group	Accelerated Tax Depreciation	Revaluation of Properties	Total
	MUR '000	MUR '000	MUR '000
Deferred tax liabilities			
At 1 July 2020	867,170	873,909	1,741,079
Under/(Over) provision	1,319	(431)	888
Transfer to Assets classified as held for sale	(44,808)	-	(44,808)
Translation difference	7,972	9,833	17,805
Charged/(Credited) to profit or loss	22,448	(59,535)	(37,087)
Charged to other comprehensive income	-	112,166	112,166
At 1 July 2021	854,101	935,942	1,790,043
Under provision	11	-	11
Transfers	(2,596)	18,357	15,761
Translation difference	(3,482)	6,275	2,793
Charged to profit or loss	99,947	11,485	111,432
Charged to other comprehensive income	-	386,766	386,766
At 30 June 2022	947,981	1,358,825	2,306,806

30. DEFERRED INCOME TAXES (CONT'D)

Accounting policies (Cont'd)

	Provisions/ Others	Retirement Benefit Obligation	Tax Losses Carried Forward	Rights of use assets	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Deferred tax assets					
At 01 July 2020	184,015	113,312	314,154	69,585	681,066
(Over)/Under provision	(8,333)	4,455	(1,631)	-	(5,509)
Transfer to Assets classified as held for sale	(17,680)	(2,514)	-	-	(20,194)
Translation difference	9,072	838	4,221	97	14,228
Credited/(charged) to profit or loss	2,923	(10,776)	220,779	6,199	219,125
Charged to other comprehensive income	(1,398)	(37,562)	-	-	(38,960)
At 01 July 2021	168,599	67,753	537,523	75,881	849,756
(Over)/Under provision	-	117	(4,727)	-	(4,610)
Transfers	(2,548)	675	(49)	-	(1,922)
Translation difference	(4,897)	(179)	795	-	(4,281)
Credited/(charged) to profit or loss	78,843	(6,492)	(83,279)	(1,859)	(12,787)
Charged to other comprehensive income	(5,927)	(4,464)	-	-	(10,391)
At 30 June 2022	234,070	57,410	450,263	74,022	815,765

	2022	2021
	MUR' 000	MUR' 000
Net deferred tax liabilities	1,491,041	940,288

31. RETIREMENT BENEFIT OBLIGATIONS

ACCOUNTING POLICIES

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, year of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent periods.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefits. Interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

CIEL Textile Limited, CIEL Corporate Services Ltd, C-Care (Mauritius) Limited and Sun Limited, subsidiary companies of CIEL Limited, contribute to a defined benefit plan for certain employees.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Employment Rights Act 2008 (Amended) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR' 000
Amounts recognised in the statement of financial position:		
– Defined pension benefits (note (a)(ii))	271,386	350,549
– Other post-employment benefits (note (b)(i))	421,101	375,464
	692,487	726,013
Analysed as follows:		
Non-current liabilities	692,487	726,013
Amounts charged to profit or loss:		
– Defined pension benefits (note (a)(iv))	64,303	74,609
– Other post-employment benefits (note (b)(iii))	54,057	65,766
	118,360	140,375
Amounts (credited)/charged to other comprehensive income:		
– Defined pension benefits (note (a)(iv))	(31,359)	(230,707)
– Other post-employment benefits (note (b)(iv))	20,285	(68,735)
	(11,074)	(299,442)

(a) Defined pension benefits

(i) Some companies of the Group operate defined benefit pension plans. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Group companies participate in the United Mutual Superannuation Fund, CIEL Group Segregated Fund and Sugar Industry Pension Fund and other pension schemes present in respective companies.

The assets of the plan are independently administered separately. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR' 000
(ii) The amounts recognised in the statement of financial position are as follows:		
Fair value of plan assets	(1,285,656)	(1,113,551)
Present value of funded obligations	1,535,808	1,440,460
Deficit of funded plans	250,152	326,909
Present value of unfunded obligations	21,234	23,640
Liability in the statement of financial position	271,386	350,549
The net defined benefit liability is arrived at as follows:		
Balance at 1 July	350,549	556,428
Charged to profit or loss (Note 31(a)(iv))	64,303	74,609
Charged to other comprehensive income (Note 31(a)(v))	(31,359)	(230,707)
Contributions and benefits paid	(112,107)	(49,781)
Balance at 30 June	271,386	350,549

	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR' 000
(iii) The movement in the defined benefit obligation is as follows:		
Balance at 1 July	1,464,100	1,542,823
Current service cost	51,565	54,199
Interest expense	64,570	56,729
Employees' contributions	7,321	5,460
Actuarial gains/(losses)	22,451	(41,357)
Liability losses due to change in financial assumptions	1,408	(97,620)
Benefits paid	(54,373)	(56,134)
Balance at 30 June	1,557,042	1,464,100

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(iv) The movement in the fair value of plan assets of the year is as follows:		
Balance at 1 July	1,113,551	986,395
Expected return on plan assets	55,496	31,744
Gain on plan assets, excluding interest	47,396	48,204
Actuarial gains	6,631	10,039
Scheme expenses	6,898	4,575
Cost of insuring risk benefits	(2,463)	-
Experience (losses)/gains	(6,908)	33,487
Employer contributions	112,107	49,781
Employee contributions	7,321	5,460
Benefits paid	(54,373)	(56,134)
Balance at 30 June	1,285,656	1,113,551

The amounts recognised in profit or loss are as follows:		
Current service cost	51,565	54,199
Scheme (income)/expenses	(6,898)	(4,575)
Cost of insuring risk benefits	2,463	-
Net Interest expense	17,173	24,985
Total, included in employee benefit expense	64,303	74,609

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
The amounts recognised in other comprehensive income are as follows:		
Remeasurement on the net defined benefit liability:		
Liability experience gains/(losses)	6,908	(33,487)
Liability losses due to change in financial assumptions	1,408	(97,620)
Actuarial losses	15,821	(51,396)
Gain/(Losses) on plan assets, excluding interest	(55,496)	(48,204)
	(31,359)	(230,707)

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(v) The fair value of the plan assets at the end of the reporting period were:		
Cash and cash equivalents	127,885	90,267
Local equities	215,023	359,790
Overseas equities	523,826	308,334
Debt instruments	418,922	355,160
Property	-	-
Total Market value of assets	1,285,656	1,113,551

The fair value of the above equity and debt instruments are determined based on quoted market prices in active markets. The fair value of properties is not based on quoted market prices in active markets.

The breakdown of the assets above corresponds to a notional allocation of the underlying investments based on the long-term strategy of each fund.

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

(vi) The fair value of the planned asset at the end of the reporting period was:

In terms of the individual expected returns, the expected return on equities has been based on an equity risk premium above a risk-free rate. The risk-free rate has been measured in accordance to the yields on government bonds at the measurement date. The fixed interest portfolio includes local and foreign deposits.

The expected return for this asset class has been based on these fixed deposits at the measurement date.

(vii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2022	2021
	%	%
Discount rate	3.1 - 5.5	3.1 - 5
Future salary increases	2.5 - 3.0	1.5 - 2.9

(viii) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2022		2021	
	Increase	Decrease	Increase	Decrease
	MUR '000	MUR '000	MUR '000	MUR '000
Discount rate (1% increase)	-	230,868	-	197,840
Discount rate (1% decrease)	213,739	-	151,310	-
Future long term salary assumption (1% increase)	39,798	-	18,702	-
Future long term salary assumption (1% decrease)	-	33,776	-	38,688

(ix) The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The present value of the defined benefit obligation has been calculated using the projected unit credit method. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The defined benefit pension plan exposes the Group to actuarial risks such as longevity risk, salary risk, interest rate risk and market (investment) risk.

Longevity risk

The obligation for the members is calculated based on the best estimate of plan participants' mortality after retirement. Sensitivity has also been performed in respect of the mortality assumption. An increase in the life expectancy of the plan participants will increase the liability.

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

Salary risk

The present value of the liability is calculated based on the future salary increase of the non-members and members of the plan. Sensitivity analysis of salary increase assumption has been performed to assess its impact on the liability. An increase in salary increase assumption leads to an increase the present value of the obligations.

Interest rate risk

The present value of the obligation is calculated using a discount rate based on the yields of long-term government bonds. An increase or decrease in the discount rate can have a significant impact on the liabilities.

Market (investment) risk

Market risk is the risk that the value of an investment will decrease due to moves in market factors. The fair value of the plan assets depends on all the components of the investment value. Hence, an increase or decrease in the components of investment value may have a significant impact on the fair value of the plan assets.

(x) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xi) The Group expects to pay **MUR 91M** (2021: MUR 39M) in contributions to its post-employment benefit plans for the year ended 30 June 2022.

(xii) The weighted average duration of the defined benefit obligations ranges between 3 and 16 years at the end of the reporting period.

Experience adjustment on plan liabilities **MUR 55.4 M** (2021: MUR 62.5M).

(b) Other post-employment benefits

Other post-employment benefits comprise pensions to be paid on retirement or on death before retirement and gratuity on retirement under the Employment Rights Act 2008.

	2022	2021
	MUR' 000	MUR' 000
(i) The amounts recognised in the statement of financial position are as follows:		
Defined benefit liability	421,101	375,464
(ii) Movement in the liability recognised in the statement of financial position:		
Balance at 1 July	375,464	469,835
Total expense	54,057	65,766
Liability experience gains/(losses)	557	(145)
Actuarial gains/(losses) recognised in other comprehensive income	19,728	(68,590)
Benefits paid	(36,090)	(68,601)
Transfer to liabilities directly associated with assets classified as held for sale	7,385	(22,801)
Balance at 30 June	421,101	375,464
(iii) The amounts recognised in the profit or loss are as follows:		
Current service cost	30,670	46,545
Past service cost	7,940	4,574
Effect of curtailment and settlement	(242)	(2,440)
Interest cost	15,689	17,087
At 30 June	54,057	65,766
(iv) Amounts for the current year are as follows:		
Present value of defined benefit obligation	421,101	375,464
Actuarial losses	20,285	(68,735)

31. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post-employment benefits (Cont'd)

(v) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP	
	2022	2021
	%	%
Discount rate	2.9 - 6.3	2.4 - 7.2
Future salary increases	2.5 - 8.5	1.5 - 8.5

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2022		2021	
	Increase	Decrease	Increase	Decrease
	MUR '000	MUR '000	MUR '000	MUR '000
Discount rate (1% increase)	-	43,407	-	63,559
Future long-term salary assumption (1% increase)	39,070	-	32,003	-

The sensitivity above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(vii) The weighted average duration of the defined benefit obligations ranges between 9 and 24 years at the end of the reporting period.

32. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

ACCOUNTING POLICIES

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources that can be reasonably estimated will be required to settle the obligation.

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

	2022	2021
	MUR' 000	MUR' 000
Legal claims, severance allowances and penalties	139,298	101,094
Repayable:		
Within one year	84,831	38,673
After one year	54,467	62,421

The increase in provision for legal charges is for the appeal to the Assessment Review Committee in respect of the additional duty being claimed by the Registrar General on the purchase of Four Seasons Resort (Anahita Hotel Ltd) by Sun Limited and claims lodged by former employees who were dismissed for gross misconduct.

33. OTHER PAYABLES AND DEFERRED INCOME

ACCOUNTING POLICIES

Whenever the Group has received considerations for services not yet provided, this is treated as a contract liability until the performance obligation is met.

Fees and commissions from banking segment are generally recognised on an accrual basis when the service has been provided when payment has been received in advance; the amount is credited to deferred revenue until the service is provided, at which time, revenue would be recognised.

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Other payables	-	13,830
Contract liabilities (i)	90,503	90,503
Deferred revenue (ii)	231,589	174,600
	322,092	278,933
Current portion	(195,926)	(99,715)
Non-Current portion	126,166	179,218

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(i) (a). Contract liabilities		
Investment Hotel Scheme	60,718	61,990
Golf membership fees	29,785	33,172
	90,503	95,162

33. OTHER PAYABLES AND DEFERRED INCOME (CONT'D)

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Include in financial statement as follows:		
Non - current liabilities	85,844	90,503
Current liabilities - under trade and other payables	4,659	4,659
	90,503	95,162
(i) (b). At 01 July	95,162	99,821
Release to profit or loss	(4,659)	(4,659)
At 30 June	90,503	95,162

In 2018, 14 rooms under the Invest Hotel Scheme (IHS) were sold generating a revenue of MUR 134.8M. A net profit before tax of MUR 46.6M were realised on the transaction. The rooms were sold by Long Beach IHS to investors who immediately leased the rooms to Long Beach Resort Ltd, for a period until the end of the Government Lease (i.e.) 2070.

The transactions take the form of a sale and lease back and were accounted as a finance lease in the Group Financial Statements. As such, excess sales proceeds over the carrying amount has been deferred in Group Financial Statements over the period of the lease term.

The profit generated on the sale and leaseback transactions between Long Beach HIS to investors have been deferred over the period until the end of the Government lease (i.e.) 2070.

(ii) Deferred revenue relates to BNI Madagascar and is broken down as follows:

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
Income received in advance	231,589	174,600
	231,589	174,600

34. TRADE AND OTHER PAYABLES

ACCOUNTING POLICIES

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
Trade payable	3,521,347	2,438,528	-	-
Client advances	561,547	330,135	-	-
Payable to subsidiary companies (Note 44)	-	-	17,818	23,470
Payable to associated companies (Note 44)	5,732	-	-	-
Payable to related companies (Note 44)	9,747	21,714	-	-
Other payables	1,620,025	1,107,494	-	24
Export documentary remittances	2,457,230	1,633,936	-	-
Deposits from customers	360,605	159,036	-	-
Employees related expenses	791,036	630,133	1,024	600
Accrued expenses	611,740	390,672	15,423	18,973
Current accounts with other banks	1,753,558	29,440	-	-
Other payables to banks	12,069	316,928	-	-
	11,704,636	7,058,016	34,265	43,067

Payables are denominated in the following currencies and exclude client advances, deposits from customers and accrued expenses.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
USD	1,156,502	807,790	-	-
EURO	158,257	144,304	-	-
MUR	2,718,775	2,505,768	18,842	24,094
GBP	38,597	68,331	-	-
INR	969,441	646,266	-	-
MGA	4,704,203	2,238,097	-	-
Others	424,969	158,289	-	-
	10,170,744	6,568,845	18,842	24,094

35. INCOME TAX

ACCOUNTING POLICIES

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
CHARGE				
Current tax on the adjusted profit for the year	441,010	291,861	-	394
(Over)/under provision in previous years	(5,047)	(6,208)	(343)	-
Corporate Social Responsibility tax ("CSR")	1,743	3,553	3	13
Deferred income tax (Note 30)	128,840	(249,814)	-	-
Charge for the year	566,546	39,392	(340)	407
Current tax charge analysed as follows :				
Continuing Operations	544,560	79,548	(340)	407
Discontinued Operations (Note 46)	21,986	(40,156)	-	-
	566,546	39,392	(340)	407
MOVEMENT				
At 1 July	(90,062)	(23,138)	81	443
Under/(over) provision in previous years	(5,047)	(6,208)	(343)	-
Charge for the year	441,010	291,861	-	394
CSR expense for the year	1,743	3,553	3	13
(Paid)/refund during the year for previous year	(152,898)	(35,692)	262	(456)
Advance payment for current year	(111,700)	(326,055)	(42)	(313)
Tax deducted at source paid for current year	(83,147)	(2,335)	-	-
Transfer to held for sales	5,997	-	-	-
Exchange difference	(5,889)	7,952	-	-
At 30 June	7	(90,062)	(39)	81
Analysed as follows:				
Current income tax liabilities	110,170	60,889	-	81
Current income tax assets	(110,163)	(150,951)	39	-
	7	(90,062)	39	81

35. INCOME TAX (CONT'D)

The tax on the profit before income tax differs from the theoretical amount that would arise using the basic tax rate:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
Profit before income tax – Continuing Operations	2,985,272	772,806	340,696	130,110
Loss before income tax – Discontinued Operations (Note 46)	(264,735)	(287,537)	-	-
	2,720,537	485,269	340,696	130,110

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
Tax calculated at a rate of 17% (2021: 17%)	462,491	82,496	57,918	22,119
Tax effect of :				
Income not subject to tax	(58,954)	(331,131)	(99,693)	(62,555)
Expenses not deductible for tax purposes	89,408	284,382	41,778	40,843
Effect of different tax rate	41,369	8,933	-	-
(Over)/Under provision income tax previous years	(5,047)	(6,208)	(343)	-
(Over)/Under provision deferred tax previous years	4,621	6,398	-	-
Utilisation of tax losses	9,107	(79,051)	-	-
Investment tax relief	(1,196)	(7,374)	-	-
Foreign tax credit	(17,132)	(4,097)	-	-
Effect of tax losses unrecognised	-	(1,745)	-	-
Deferred tax asset not recognised	47,875	85,054	-	-
Covid Levy	-	18,680	-	
Other adjustments	(5,996)	(16,945)	-	-
	566,546	39,392	(340)	407
Analysed as follows:				
Continued operations	544,560	79,548	(340)	407
Discontinued operation	21,986	(40,156)	-	-
	566,546	39,392	(340)	407

36. DIVIDENDS PER SHARE

ACCOUNTING POLICIES

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

	THE GROUP AND THE COMPANY	
	2022	2021
	MUR' 000	MUR '000
Amounts recognised as distributions to equity holders in the year:		
Final dividend payable for the year ended 2022 of **MUR 0.16** (2021: Nil)	270,010	-
Interim dividend paid for the year ended 2022 of **MUR 0.05** (2021: Nil)	84,372	-
	354,382	-

	THE GROUP AND THE COMPANY	
	2022	2021
	MUR' 000	MUR '000
Amount payable as at 1 July	-	-
Declared during the year	354,382	-
Amount paid during the year	(84,372)	-
Amount payable as at 30 June	270,010	-

37. DEPOSITS FROM CUSTOMERS

ACCOUNTING POLICIES

Deposits from customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

	THE GROUP	
	2022	2021
Banking Segment	MUR' 000	MUR '000
Demand deposits	22,181,968	19,874,258
Savings deposits	5,377,770	5,014,260
Time deposits with remaining terms to maturity:		
Within 1 year	5,259,990	4,190,691
Over one year and up to five years	273,282	8,990
	33,093,010	29,088,199
Current	32,819,728	29,079,209
Non-current	273,282	8,990
Individuals	18,321,801	7,627,663
SMEs	1,255,058	2,125,501
Mid Caps	3,567,366	3,701,355
Other corporate	9,948,785	15,633,680
	33,093,010	29,088,199

38. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATING ACTIVITIES

	Notes	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR '000	THE COMPANY 2022 MUR' 000	THE COMPANY 2021 MUR '000
(a) Cash flow from operating activities					
Reconciliation of profit before income tax to cash generated from operations:					
Profit before income tax – continuing operation		2,985,272	772,806	340,696	130,110
Loss before income tax – discontinued operation	46(b)	(264,735)	(287,537)	-	-
Amortisation of intangible assets	11	114,310	92,366	-	-
Depreciation on property, plant and equipment	9(a)	1,063,715	1,130,182	-	-
Depreciation on right of use assets	16	212,291	176,813	-	-
Interest expense	6	923,053	1,065,087	144,702	140,134
Interest income	6	(71,884)	(20,071)	(571)	(576)
Fair value gain on investment property	10	(185,052)	(959,638)	-	-
Fair value gain on asset held for sale	21	-	20,106	-	-
Fair value movement on derivatives		(188,343)	(6,213)	-	-
Share of result of joint ventures	7(d)	(197,276)	9,588	-	-
Share of result of associates	7(d)	(234,625)	(276,912)	-	-
Profit on disposal of associate	14(f)	(5,713)	(26,658)	-	-
Write off of other financial assets	15	5,547	-	-	-
Intangible assets write off	11	121	11,382	-	-
Property, plant & equipment written off	9 &16	10,242	38,543	-	-
Gain from bargain purchase		(34,673)	-	-	-
Bad debts	5(a)	207,155	-	-	-
Impairment of property, plant & equipment	9(a)	(3,229)	392,049	-	-
Provision for impairment and write off of inventories	18	29,761	48,762	-	-
Provision for impairment of financial assets	7(b)	40,542	152,094	-	-
Provision for impairment on loans and advances to customers	7(b)	433,801	220,535	-	-
Movement in provisions and deferred revenue	32 & 33	81,364	18,049	-	-
(Decrease)/increase in provision for retirement benefit obligations net of benefits paid		(39,507)	21,993	-	-
Amortisation of transaction costs on borrowings		-	17,061	-	-
Unrealised exchange difference		(352,913)	365,469	-	1,211
Rent concession	16 (a)	14,658	(99,053)	-	-
Profit on disposal of investment property	5 (a)	(9,399)	(31,812)	-	-
Profit on disposal of plant and equipment		(54,765)	(8,994)	-	-
Profit on disposal of investment/plant and equipment from discontinued operations		(62,232)	(29,036)	-	-
		4,417,486	2,806,961	484,827	270,879

38. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATING ACTIVITIES (CONT'D)

	Notes	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR '000	THE COMPANY 2022 MUR' 000	THE COMPANY 2021 MUR '000
(a) Cash flow from operating activities					
Changes in working capital:					
- trade and other receivables		(2,896,799)	(342,648)	(238,194)	(303,480)
- loans and advances		(4,665,067)	(2,379,602)	-	-
- investment securities		(69,090)	(1,268,687)	-	-
- loans and advances to banks		-	41,881	-	-
- inventories		(1,370,869)	(647,080)	-	-
- trade and other payables		4,535,293	821,772	(8,804)	23,035
- deposits from customers		3,737,946	3,373,245	-	-
Cash generated from operating activities		3,688,900	2,405,842	237,829	(9,566)

39. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR '000	THE COMPANY 2022 MUR' 000	THE COMPANY 2021 MUR '000
(a) Cash and cash equivalent				
Cash in hand and at bank	1,334,939	1,715,540	-	-
Foreign currency notes and coins	169,057	134,792	-	-
Balances with central bank	4,124,089	3,029,100	-	-
Balances due in clearing	(14,264)	22,899	-	-
Balances with bank	3,439,375	2,747,510	12,325	6,744
Placements	3,648,438	2,281,334	-	53
	12,701,634	9,931,175	12,325	6,797
Bank overdrafts	(1,080,828)	(739,197)	-	(84,557)
Cash at call - related parties	(69,368)	-	(48,070)	(96,239)
	11,551,438	9,191,978	(35,745)	(173,999)

39. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(b) Year ended 30 June 2022	THE GROUP				THE COMPANY		
	Cash/Bank Overdraft	Total Borrowings	Lease Liabilities	Total	Cash/Bank Overdraft	Total Borrowings	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Net debt as at 01 July 2021	9,191,978	(18,610,435)	(3,265,163)	(12,683,620)	(173,999)	(3,022,559)	(3,196,558)
Cashflows	2,278,641	-	-	2,278,641	138,253	-	138,253
Additions	-	(5,988,408)	(355,951)	(6,344,359)	-	-	-
Repayments	-	5,409,241	239,241	5,648,482	-	637	637
Movement in finance cost		(24,008)	(219,634)	(243,642)	-	-	-
Rent concession	-	-	14,658	14,658	-	-	-
Foreign exchange adjustment	80,819	290,864	122,586	494,269	-	-	-
Net debt as at 30 June 2022	11,551,438	(18,922,746)	(3,464,263)	(10,835,571)	(35,746)	(3,021,922)	(3,057,668)

During the financial year 30 June 2022, the Group received a rental concession of MUR **15M** (2021: MUR 99M) on state owned lands.

(c) Year ended 30 June 2021	THE GROUP				THE COMPANY		
	Cash/Bank Overdraft	Total Borrowings	Lease Liabilities	Total	Cash/Bank Overdraft	Total Borrowings	Total
	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Net debt as at 01 July 2020	6,884,244	(19,390,371)	(3,559,333)	(16,065,460)	25,649	(2,968,442)	(2,942,793)
Cashflows	2,239,496	-	-	2,239,496	(199,648)	-	(199,648)
Additions	-	(6,947,926)	-	(6,947,926)	-	(504,117)	(504,117)
Repayments	-	8,561,619	204,389	8,766,008	-	450,000	450,000
Waiver	-	-	99,053	99,053	-	-	-
Foreign exchange adjustment	68,238	(833,757)	(9,272)	(774,791)	-	-	-
Net debt as at 30 June 2021	9,191,978	(18,610,435)	(3,265,163)	(12,683,620)	(173,999)	(3,022,559)	(3,196,558)

40. CONTINGENCIES

ACCOUNTING POLICIES

At 30 June 2022, the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

CIEL Finance Limited has floating charges as follows :

i. EUR 4M from the Mauritius Commercial Bank in favour of a bank to counter-guarantee BNI Madagascar in respect of credit concentration limits imposed by the Malagasy regulator.

ii. Over its assets in favour of The Mauritius Commercial Bank, acting as Noteholders' Representative under the Notes Issue effected in September 2019, for a maximum amount of MUR 500M in principal plus any interests and related costs.,

iii. Over its assets in favour of The Mauritius Commercial Bank, in respect of an overdraft facility for MUR 80M.

CIEL Textile Limited had contingencies in respect of tax assessments, legal cases and bank guarantees to third parties in respect of expatriates amounting to **MUR 100.5M** (2021: MUR.89.3M).

CIEL Healthcare Limited

	THE GROUP	
	2022	2021
	MUR' 000	MUR '000
Contingent liabilities		
Bank and other guarantees	1,770	1,670

At 30 June 2022, the Group has contingent liabilities in respect of bank and other guarantees of **MUR 1.8m** (2021: MUR 1.7m).

A plaint with summons was served on the company by Metropolis Bramser Lab Services (Mtius) Ltd ("Metropolis") claiming compensation amounting to MUR 150M (30 June 2021: MUR 150M) for damages suffered as a result of inter alia an alleged wrongful termination of the contract between the company and Metropolis. The company is strongly disputing this claim and the case has been fixed for 6th and 10th March 2023. Based on the legal advice obtained, management and the board have reasonable grounds to expect that no material financial impact will arise for the company.

There are also some legal cases regarding medical negligence against the Company for which judgement are yet to be delivered. The aggregate claims from plaintiffs for these legal cases amounts to **MUR 386M** (30 June 2021: MUR 492M).

41. COMMITMENTS

	THE GROUP	
	2022	2021
	MUR' 000	MUR' 000
(a) Capital Commitments		
Authorised by the directors and contracted for	64,767	145,573
Authorised by the directors but not contracted for	599,000	315,000
	663,767	460,573

(b) Guarantees and other obligations on account customers and commitment – Banking Segment

The guarantees and other obligations on account of customers and commitments for the banking segment amount to **MUR 4.4Bn** as at 30 June 2022 (2021: MUR 4.6Bn) denominated in Ariary.

42. DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICIES

As permitted by IFRS 9, the Group has elected to continue applying IAS 39 for hedge accounting requirements, hence the below accounting policies are applicable for both the financial years ended 30 June 2022 and 2021.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either:

- Hedges of the fair value of recognised liabilities (fair value hedge);
- Hedges of a particular risk associated with a recognised liability or a highly probable forecast transaction (cash flow hedge); or
- Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The Group applies only fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs. The gain or loss relating to the ineffective portion is recognised in profit or loss.

Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in profit or loss within finance costs.

42. DERIVATIVE FINANCIAL INSTRUMENTS (CONT'D)

Cash flow hedge

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

Derivatives include forward exchange contracts and interest rate swaps with a notional amount of **MUR Nil** (2021: MUR 4.2Bn).

	THE GROUP	
	Level 2	Total
At 30 June 2022	MUR' 000	MUR' 000
Assets	236,641	236,641
Derivatives used for hedging		
Liabilities		
Derivatives used for hedging	(66,610)	(66,610)
	170,031	170,031
At 30 June 2021		
Assets		
Derivatives used for hedging	74,380	74,380
Liabilities		
Derivatives used for hedging	(92,691)	(92,691)
	(18,311)	(18,311)

	THE GROUP		
a. Assets	Level 2	Level 3	Total
Derivatives used for hedging	MUR' 000	MUR' 000	MUR' 000
Balance as at 01 July 2020	98,109	9,370	107,479
Losses recognised in profit or loss	(23,729)	(9,370)	(33,099)
Balance as at 30 June 2021	74,380	-	74,380
Gains recognised in profit or loss	162,261	-	162,261
Balance as at 30 June 2022	236,641	-	236,641

	THE GROUP	
b. Liabilities	Level 2	Total
	MUR' 000	MUR' 000
Derivatives used for hedging		
Balance as at 01 July 2020	(132,003)	(132,003)
Gains/(losses) recognised in profit or loss	39,312	39,312
Balance as at 30 June 2021	(92,691)	(92,691)
Gains/(losses) recognised in profit or loss	26,081	26,081
Balance as at 30 June 2022	(66,610)	(66,610)

	THE GROUP	
c. Amount recognised in profit or loss	2022	2021
	MUR '000	MUR '000
Assets	162,261	(33,099)
Liabilities	26,081	39,312
	188,342	6,213

	THE GROUP	
d. Amount recognised in other comprehensive income	2022	2021
	MUR '000	MUR '000
Assets	-	-
Liabilities	-	-
	-	-

43. CASH FLOW HEDGE

ACCOUNTING POLICIES

Textile Segment

The Textile segment is involved in the production and sale of textile apparel, most of which is done through exports to foreign countries. The Textile Group is made up of Knitwear Cluster, Fine knits Cluster and Woven Cluster and is exposed to foreign exchange risk on the sale of textile products denominated in foreign currency. The Textile segment exports almost all of its production (South African Rand 'ZAR', United States Dollars 'USD', Great Britain Pound 'GBP' and Euro 'EUR').

The Textile segment is mainly faced to the following foreign exchange exposures:

Pre-transaction foreign currency risk

This arises before the transaction ('sale') becomes contractual while a quote is given to the client in foreign currency. Even though the transaction is not confirmed, movement in exchange rate to the disfavour of the Textile segment signifies a potential risk. If a customer later accepts the quote received, there is a risk that the foreign currency price then converted to MUR will not bring the desired margin.

Transaction foreign currency risk

Transactional foreign currency risk arises as soon as there is a contractual obligation between the Textile segment and the foreign customers. If nothing is done, there is a certain risk that the foreign exchange rate may weaken and if it so happens, the Group may only lose the intended margin on the transaction and may even incur losses if the exchange rate variations are drastically in disfavour of the segment.

The Textile segment adopted the following strategy:

The Treasury Committee and Chief Executive of the segment are responsible for the decision making, with the intention to take cover, through forward exchange contracts with a view to cover for sale transactions that are judged as being highly probable. The intention is to cover for transactional exposures as they are unveiled. Prerogative is given to the Treasury Committee and Chief Executive of the segment to decide if they would keep part of this position uncovered with the view of benefiting from potential currency appreciation against the MUR.

The Textile segment enters into forward covers to manage its foreign exchange risk on foreign denominated sales. Forward exchange covers are taken for orders received and which are highly probable, and this is designated as a cash flow hedge. Forward covers are used as a mechanism to fix the amount of foreign currency denominated sales which are used to modify cash flow between financial instrument and sales receipts upon realisation.

Financial instruments taken to hedge the Textile segment's sales are fair valued and recognised in the statement of financial position as financial assets/liability. For those sales on which a forward has been taken and which has materialised, the resulting fair value gain/loss on re-measurement is accounted for in profit or loss while for those transactions for which the underlying sale has not yet materialised, the fair value gain/loss is recorded in other comprehensive income. The latter is then recycled to profit or loss as soon as the sale materialises, and the goods are shipped.

43. CASH FLOW HEDGE (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Textile Segment (Cont'd)

The Textile segment enters into forward contracts (hedge instrument) to buy or sell foreign currencies at a specified future time at a price agreed upon the contract date. The price is locked until delivery of sales order which normally will not exceed 9 months. Hedge instruments, in this case forward exchange contracts, are expected to be highly effective to mitigate the foreign currency risk exposure on sales (hedged item). By selling forward, the Textile segment expects to mitigate long term currency exchange risk and will revalue in the opposite direction to the underlying transaction.

The objective of the Textile segment is to cover identified exposures (i.e. confirmed orders or highly probable sales orders) to the minimum of 75% and a maximum of 125%. However, this benchmark is determined on a case to case basis by the CEO and treasury committees of the respective business clusters while taking into consideration the specific transaction requirements.

For all sales not yet shipped and for which a forward exchange contract cover has been taken, the Textile segment performs a revaluation of outstanding forward contracts relating to cash flow hedges which is then recorded in the statement of comprehensive income.

Revaluation of outstanding forward contracts relating to transaction for which an asset has already crystallised in the statement of financial position (sales already shipped, and debtors raised) will be recorded in profit or loss.

Subsequently, the cash flow hedge recognised in other comprehensive income will be reversed in profit or loss in the following year, as an underlying asset would already have crystallised upon the orders being shipped (Sales not shipped last year would have been shipped this year).

Hedge instruments in the form of forward foreign exchange contracts is expected to be highly effective as the unshipped sales, which represents the hedged item, has a direct economic relationship to the forward foreign exchange contract entered into to mitigate the foreign exchange exposure on the Textile segment's unshipped and confirmed sales orders at year end.

Although effectiveness is certain to be 100% as long as plain vanilla forward contracts are used, a 10% error margin in the hedge effectiveness is considered as acceptable. To determine effectiveness of the hedge, the list of hedge instruments (forward contracts) are matched with list of sales not yet shipped/highly probable sales (hedged items).

The Textile segment has a single risk category which is the foreign exchange risk on foreign denominated sales.

The Textile segment does not have any forecast transaction for which hedge accounting had been used in the previous period, but which is no longer expected to occur.

43. CASH FLOW HEDGE (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Textile Cluster

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

	2022	2021	2022		2021		2022	2021	2022	2021	2022	2021
Outstanding contracts	**Average exchange rate**		**Sell**	**Buy**	**Sell**	**Buy**	**Fair value**		**Contract value**		**Gain/(loss)**	
			FC'000	FC'000	FC'000	FC'000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Sell currency EUR and buy currency USD	1.08	1.13	2,923	3,167	2,885	3,256	(105,109)	(92,081)	(98,775)	(90,586)	6,334	1,495
Sell currency EUR and buy currency MUR	-	48.72	-	-	536	26,113	-	(26,113)	-	(26,689)	-	(576)
Sell currency GBP and buy currency USD	1.36	1.34	5,417	7,360	4,665	6,252	(321,623)	(262,895)	(285,852)	(270,073)	35,771	(7,178)
Sell currency GBP and buy currency MUR	58.65	57.70	2,129	124,873	1,312	75,700	(124,873)	(75,700)	(111,892)	(76,105)	12,981	(405)
Sell currency ZAR and buy currency USD	0.06	0.07	183,933	11,569	137,227	9,526	363,685	220,720	393,553	236,621	29,868	15,901
Sell currency ZAR and buy currency MUR	2.78	2.50	371,399	1,031,225	194,233	486,195	489,549	(35,118)	565,194	(50,090)	75,645	(14,972)
Sell currency USD and buy currency MUR	44.27	41.41	21,065	932,504	25,941	1,074,090	932,504	863,643	948,166	845,654	15,662	(17,989)
Sell currency USD and buy currency ZAR	15.84	-	1,800	28,506	1,500	17,074	83,651	17,963	80,573	18,731	(3,078)	768
Sell currency USD and buy currency INR	77.41	75.40	18,755	1,451,817	7,350	554,206	813,017	321,439	797,582	322,958	(15,435)	1,519
Sell currency GBP and buy currency INR	104.75	104.25	1,327	138,999	1,150	119,886	77,840	69,534	80,862	69,655	3,022	121
Sell currency EUR and buy currency INR	86.29	91.36	3,594	310,143	2,600	237,527	173,680	137,766	176,388	140,500	2,708	2,734
Total							2,382,321	1,139,158	2,545,799	1,120,576	163,478	(18,582)

	THE GROUP	
	2022	2021
Recognised as follows:	MUR' 000	MUR' 000
On statement of financial position		
Fair value asset on forward contracts	173,183	8,973
Fair value liability on forward contracts	(9,705)	(27,555)
	163,478	(18,582)
In statement of profit or loss		
Gain/(Loss) on financial derivatives	188,186	(29,396)
In statement of other comprehensive income		
Gain on financial derivatives	-	10,814
	188,186	(18,582)

Hotels & Resorts segment

The segment is exposed to foreign currency risk, most significantly to the Euro, Pound Sterling and US Dollar, on the segment's sales denominated in these currencies. The segment hedges these exposures by entering into foreign currency loans ("hedging instruments") with future principal payments that will match the future sales ("hedged item") in these currencies. All exchange differences arising on the conversion of foreign currency loans are deferred in equity, under the cash flow hedge reserve to the extent that the hedge is effective. On recognition of the hedged sales, the foreign currency gain/loss is netted off by releasing a portion of the cash flow hedge reserve.

The Hotels and Resorts segment has reviewed the hedging portfolio to confirm whether the underlying transactions remain "highly probable".

At the time of reporting, management has identified:

(i) A portion of foreign currency sales which are no longer deemed to be "highly probable" but are still expected to occur. Hence, the corresponding cumulative gain or loss deferred in equity whilst the hedge was effective remains in equity until the forecasted transaction occurs.

(ii) A portion of foreign currency sales which are no longer deemed to the "highly probable" and are not expected to occur. Hence the corresponding cumulative gain or loss deferred in equity whilst the hedge was effective are immediately removed from equity and are recognised in the statement of profit or loss.

43. CASH FLOW HEDGE (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Hotels & Resorts segment (Cont'd)

Below is a schedule indicating as at 30 June 2022, the periods when the hedge cash flows are expected to occur and when they are expected to affect profit or loss.

THE GROUP	Within 1 year	1 to 3 years	3 to 5 years	More than 5 years
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
2022				
Cash inflows	**803,083**	**1,333,405**	**1,347,851**	**922,465**
Cash outflows	**(803,083)**	**(1,333,405)**	**(1,347,851)**	**(922,465)**
Net cash outflows	**-**	**-**	**-**	**-**
2021				
Cash inflows	-	2,497,211	1,416,828	740,943
Cash outflows	(229,403)	(2,863,642)	(1,416,828)	(740,943)
Net cash outflows	(229,403)	(366,431)	-	-

43. CASH FLOW HEDGE (CONT'D)

ACCOUNTING POLICIES (CONT'D)

Financial services segment

The Financial services segment had the following forward foreign exchange contracts outstanding at the end of the reporting period.

	Notional amount		Carrying amount	
	Sell	Buy	Assets	Lisabilities
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
2022				
EUR to MUR	**1,481**	**27,516**	**119**	**433**
EUR to USD	**38,832**	**10,348**	**933**	**898**
GBP to MUR	**51,550**	**47,130**	**6,411**	**6,411**
GBP to USD	**6,817**	**6,128**	**714**	**714**
USD to MUR	**1,129,823**	**950,329**	**22,209**	**15,388**
ZAR to MUR	**727,419**	**734,950**	**30,537**	**31,964**
ZAR to USD	**37,749**	**22,890**	**2,534**	**1,097**
2021				
EUR to MUR	74,512	78,564	3,034	3,456
EUR to USD	14,699	-	-	307
GBP to MUR	32,455	34,602	1,001	1,062
GBP to USD	1,168,121	1,060,284	43,578	42,361
USD to MUR	280,296	280,296	21,180	21,180

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The Group		Dividend Income MUR '000	Rental and Other Income MUR '000	Management Fees Receivable MUR '000	Amount owed by Related Parties MUR '000	Amount owed to Related Parties MUR '000
Associated companies	**2022**	60,530	18,650	6,865	31,236	7,548
	2021	57,962	1,015	-	27,961	-
Enterprises that have a number of common directors	**2022**	-	217	-	9,018	9,747
	2021	-	18,998	19,672	87,539	21,714
Joint ventures in which the company is a venturer	**2022**	84,000	1,741	-	-	-
	2021	-	-	-	-	-
Shareholders, Director and Key management personnel	**2022**	-	400	-	-	5,467
	2021	-	-	-	-	7,075

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) The Company		Dividend Income MUR '000	Management Fees and Other Expenses MUR '000	Interest, Rental and Other Income MUR '000	Financial Charges MUR '000	Loans at Call MUR '000	Amount owed by Related Parties MUR '000	Amount owed to Related Parties MUR '000
Subsidiary companies	**2022**	577,733	61,205	526	1,532	48,070	555,533	17,818
	2021	360,320	59,891	545	2,005	96,239	316,428	23,470
Associated companies	**2022**	7,793	-	-	-	-	376	-
	2021	4,595	-	-	-	-	380	-

Amounts owed to/by related parties are unsecured and are repayable on demand. There have been no guarantees provided or received for any related party receivables/payables. The Company has not recorded any impairment of receivables during the year. This assessment is undertaken each year through examining the financial position of the related party.

Management fees and other expenses relate to services provided for Strategic, Corporate Governance, Company Secretary & Registry, Legal Support, Communication and Corporate Finance.

Key management personnel salaries and compensation

	THE GROUP 2022 MUR' 000	THE GROUP 2021 MUR '000
Salaries and short-term employee benefits	527,676	337,843
Post-employment benefits	18,987	19,123
	546,663	356,966

45. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's objective is to provide long term capital growth and regular appreciation in dividend income distribution to investors. This objective is being fulfilled through investing in a diversified portfolio of equity and equity related investments.

(i) Banking specific segment

BNI Madagascar SA ("BNI") is a bank under the financial services segment. The Group analyses the financial risk management of BNI separately as the banking operations are different compared to other entities in the Group which are involved in various non-banking activities.

BNI's activities expose it to financial risks such as market risk (including currency and interest rate risk), credit risk and liquidity risk.

(ii) Non-banking specific segment

Textile segment

The cluster's credit risk is primarily attributable to its trade receivables and bank balances. For banks and financial institutions, the cluster only transacts with highly reputable counterparties. The amount presented within the Group's segmental note is net of allowances for doubtful receivables, estimated by the management based on prior experience and the current economic environment. The cluster has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Hotels and Resorts segment

The cluster has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The cluster only transact with entities of good credit rating. This information is supplied by independent rating agencies where available and, if not available, the cluster uses other publicly available financial information and its own trading records to rate its major customers. The cluster's exposure and the credit risks of its counterparties are continuously monitored. The carrying amount of financial assets recorded, which is net of impairment losses, represents the cluster's maximum exposure to credit risk without considering the value of any collateral obtained.

Agro & Property segment

The cluster's risk is primarily attributable to its receivables. The amount presented within the Group's segmental note is net of allowances for doubtful receivables, estimated by the management based on prior experience and the current economic environment.

Healthcare segment

The cluster's risk is primarily attributable to its trade receivables. The amount presented within the Group's segmental note is net of allowances for credit losses, estimated by the management based on prior experience and the current economic environment. The cluster has a dedicated debtors recovery team that monitors its debtors balance. Where applicable, the cluster takes necessary legal actions in order to recover its balances from the debtors. The cluster has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

Financial services segment

The cluster's credit risk from its non-banking operations is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of provision for impairment calculated in accordance with IFRS 9 based on history, the current economic environment, and future macro-economic variables. The cluster has policies in place to ensure that sales of services are made to customers with an appropriate private credit history. The credit quality of this financial asset can be assessed by the historical information about the financial strengths of the financial institutions the cluster is dealing with. In the opinion of the cluster, there is no associated risk as these are reputable institutions.

45. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors (Cont'd)

The cluster has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The cluster has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The cluster does not hold any collateral security for receivables relating to the non-banking segment.

(b) Credit risk

Credit risk is the risk of suffering financial loss, should any customers, clients or market counterparties fail to fulfil their contractual obligations to the Group.

(i) Non-banking specific segment

The credit risk exposure of the Group's non-banking segment has been assessed in Notes 19(e), 20 and 24.

(ii) Banking specific segment – BNI Madagascar SA ("BNI")

Credit risk arises mainly from commercial and consumer loans and advances, credit cards, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances.

The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities ('trading exposures'). The exposure to credit risk is managed by the credit risk management team led by Chief Risk Officer who reports to the Indian Ocean Financial Holding Limited's (IOFHL) credit and risk committees.

Credit risk management

The Group has clear policies to manage its credit risks from its banking operations. This includes tolerance thresholds, maximum exposure limits, having an approval process that maintains the equilibrium between strategic objectives and risk management. All policies and limits are presented to the board for approval and information.

The strategy is to set a global acceptable level of risk and exposure limits and then to put in place the required framework to ensure that the risks taken remain within the acceptable threshold. The risk appetite approved by the Board includes a global limit set with regards to various counterparties, sovereigns and sectors. The credit policies are subject to an annual review.

Management regularly reviews the loan portfolio, including non-performing loans, and quarterly submits reports to the credit committee to ensure adequacy of provision and monitoring of non-performing facilities.

Risk limit control and mitigation policies

BNI manages limits and controls concentrations of credit risk wherever they are identified – within individual counterparties, groups and sectors.

BNI structures credit risk by placing limits on the level of risk accepted for one borrower, one group of borrowers, or for industry segments. Such risks are monitored on a recurring basis and are subject to annual or more frequent reviews when considered necessary. Limits on the level of credit risk by product or industry sector are monitored quarterly by the Credit Committee, which thereafter reports to the Board of Directors.

Lending limits are reviewed in the light of changing market and economic conditions and periodic credit reviews and assessments of probability of default.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

Counterpart limits

BNI defines a single counterparty as a legally and/or financially consolidated counterparty or group of counterparties. The local regulatory framework provides for two prudential ratios that need to be met at all times:

1. Commitment to a single counterparty should not exceed 35% of the Bank's equity 2
2. All major risks (cumulative commitments in favor of shareholders, the Board of Directors and auditors) is set at a maximum threshold of 10% of equity.

In principle, the maximum risk that the Bank is prepared to take is defined according to the creditworthiness, expected credit loss (ECL) and probability of default (PD) of the counterparty. And as a general rule, limits are proportional to both the equity of the bank and that of the counterparty.

Sectorial limits

BNI aims to maintain a reasonably diversified portfolio in terms of exposure to business sectors. To this end, limits have been set and regularly revised for the maximum credit exposure to a single sector (as a percentage of total exposure) according to the dynamics, outlook and risk profiles of each sector, assessed periodically through sector reviews carried out by the Bank.

Sovereign limits

The key attribute for determining sovereign limits is the country risk rating assessed by rating agencies and the sovereign risk assessment conducted internally. This assessment is regularly updated based on the macroeconomic outlook, changes in the business environment, the quality of governance as well as the country's political risk profile.

Credit monitoring system

- Watch-list committee in place to review changes in risk grade of customers and to closely monitor watch-listed customers.
- Close monitoring and follow up strategies have also been put in place to engage with borrowers as soon as they show signs of distresses (decrease in cash flow domiciliation, deterioration in risk grade and credit scoring, industry distress, etc.), especially in the corporate segment. An early warning system has been embedded to monitor borrower-specific signs of distress, and a systematic reporting is frequently addressed to senior management and risk committees.

Portfolio stress testing

- An effective portfolio stress test program is carried out periodically by the bank as it plays an important role in facilitating the development of credit risk mitigation plans.
- This stress test program is documented and the results analysed in order to strengthen the overall credit risk management framework.

Recovery

- The Recovery Unit has been reinforced and is being reorganized further to the appointment of a new Head of Recovery in May 2022.
- To be more effective in recovery and foster a better management of the NPL portfolio, a recoverability score mechanism is in place, especially for Corporate and SME NPLs. This approach allows the recovery department to adopt a proactive strategy for each segment.
- Enhancement of NPL report and dashboard to Senior Management and Board Credit Committees.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

Limit management and mitigation policies

(a) Collateral

As part of its policy to mitigate credit risks, the bank secures collateral against disbursed funds.

The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Charges over business assets such as premises, inventory and trade receivables.
- Charges over financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss, the bank seeks additional collateral from the counterparty as soon as impairment indicators are identified for the relevant loans and advances.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

(b) Lending limits (for loan books)

BNI maintains strict control limits on loan books. The amount subject to credit risk is limited to expected future net cash inflows of instruments, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements.

Collateral or other security is not always obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities.

(c) Financial covenants (for credit related commitments and loan books)

Documentary and commercial letters of credit – which are written undertakings by the bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, BNI is potentially exposed to loss of an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards (often referred to as financial covenants).

BNI monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

(d) Collateral review policy

As part of the monitoring of credit risks, the need for continuous monitoring of the realisable value of the collateral held by the bank is important in order to ensure that there is a net realizable value to cover the outstanding amount. Thus, the need to justify the valuation of collateral is necessary:

- Upon initial disbursement;
- When renewing the customer's credit line and according to the following criteria:
  - Real estate: every 3 years;
  - Vehicles and Equipment: every year;
  - For pledged stocks: as per frequency stipulated in the credit agreement which can vary from 3 months to a year
- Before the establishment of the pledge to ascertain the existence of stocks and to verify whether the stocks are pledged or not;
- At the first release and/or additional release via promissory notes ;
- On the renewal of promissory notes (generally quarterly)

Furthermore, at the request of the Risk Department, collateral assessment and/or reassessment reviews may be carried out without considering the above criteria. In addition, the general principles of collateral assessment and reassessment are mentioned in the collateral management policy of BNI.

The maximum exposure to credit risk before collateral for the banking segment is as follows:

	2022	2021
	MUR' 000	MUR' 000
Credit risk exposure to on-balance sheet assets:		
Cash and cash equivalents	9,755,292	7,376,395
Loans and advances to customers	24,281,657	19,868,113
Investment in securities	6,335,249	6,205,851
Trade and other receivables	513,224	522,821
Export documentary remittances	2,449,652	1,632,865
Total on balance sheet exposure	43,335,074	35,606,045
Credit risk exposure to off-balance sheet assets:		
Acceptances, guarantees, letter of credit and other obligations on account of customers	4,413,841	4,635,521
Total on and off-balance sheet exposure	47,748,915	40,241,566

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Risk limit control and mitigation policies (Cont'd)

BNI also reviews its concentration risk to ensure that it is not significantly exposed to a specific category of customers. The table below analyses BNI's exposure:

	2022		2021	
	MUR '000	Exposure	MUR '000	Exposure
Corporate	17,877,831	41%	17,731,660	50%
Central Bank	10,491,447	24%	3,021,796	8%
Financial institution	5,599,094	13%	9,520,009	27%
Retail	9,366,702	22%	5,332,580	15%
	43,335,074		35,606,045	

Credit risk measurement

Loans and advances (including loan commitments and guarantees)

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposures vary with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

In measuring credit risk of loan and advances at a counterparty level, BNI considers three components: (i) the 'probability of default' (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Group derives the 'exposure at default' (EAD); and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default') (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimise their effectiveness. These credit risk measurements, which reflect expected loss (the 'expected loss model'), are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee) and are embedded in the Group's daily operational management.

This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9.

(i) Probability of default

The probability of default (PD) is the likelihood that a particular borrower will default. IFRS 9 requires a multi-period forward-looking measure of PD that depends on macroeconomic factors. In other words, the PD model must produce a term structure of point in time PDs. Using historical data, a survival model was developed to produce a through-the-cycle PD term structure, followed by an econometric regression of the PDs for calibration to a point in time term structure over 5 years.

(ii) Exposure at default

EAD is based on the amounts BNI expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, BNI includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur. The EAD for term loans and leases is estimated by calculating the expected exposure for the next 12 months. Firstly, the expected closing balance is estimated (assuming the borrower will pay regularly up to the month under observation). Off Balance sheets items comprise of Bank Guarantee, Letter of Credit, Acceptance, Swap, Spot and Forward.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

(iii) Loss given default/loss severity

Loss given default or loss severity represents BNI's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The measurement of exposure at default and loss given default is based on the risk parameters standard under Basel II. For measuring the exposure for credit risk on a portfolio basis (for example, mortgage loans).

For both LGD and PD, the Bank segmented its book based on its various segments (Retail, Corporate, SME, Institutional). Collateral was also factored in the model as it indicates a better probability of recovery.

Based on a historical measurement, the bank adopted a calculated LGD for the retail and SME segments. To appropriately reflect the economic value of the amounts recovered, especially with regards to the recovery time after the contract breach, the use of the present value notion has been integrated into the computation. A discounting factor has been applied to derive the present value of the recovered amount. Therefore, the LGD rate is calculated as follows:

LGD (%) = 1- (Present value of recovered amount/Outstanding)

Note:

Present value of recovered amount = (Adjusted outstanding – Write-off – Recovery fees + Write-off recuperation) * Discounting factor

Discounting factor = 1/(1+discount rate)^n

BNI used the Average Interest Rate as Discount rate, which represents portfolio yield rate by segment.

n: number of years between the date of contract breach and the date the file is closed.

For the Corporate and Institutional segments, data available is not relevant as the sample is reduced to less than 90 occurrences by year since 2017. For these segments, the Bank has adopted an LGD figure of 65%, which is more conservative than Basel III guidelines (45%).

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

The table below represents an analysis of BNI's assets as at 30 June 2022 and 2021:

	AAA	BB/BB	CC	Unrated	Total
2022	MUR '000	MUR '000	MUR '000	MUR '000	MUR '000
Credit rating					
Loans and advances to customers	**625,921**	**13,125,464**	**2,942,559**	**7,587,713**	**24,281,657**
Investment in securities	**-**	**6,302,826**	**-**	**32,423**	**6,335,249**
Cash and cash equivalent	**-**	**4,707,188**	**-**	**5,048,104**	**9,755,292**
Trade and other receivables	**-**	**-**	**1,473**	**511,751**	**513,224**
Export documentary remittances	**-**	**-**	**-**	**2,449,652**	**2,449,652**
	625,921	**24,135,478**	**2,944,032**	**15,629,643**	**43,335,074**
Off balance sheet exposure	**1,521,074**	**2,553,669**	**42,681**	**296,417**	**4,413,841**
Total on and off-balance sheet	**2,146,995**	**26,689,147**	**2,986,713**	**15,926,060**	**47,748,915**
2021					
Credit rating					
Loans and advances to customers	87,059	11,206,527	2,701,593	5,872,934	19,868,113
Loans and advances to banks					0
Investment in securities	-	6,175,053	-	30,798	6,205,851
Cash and cash equivalent	-	3,228,539	-	4,147,856	7,376,395
Trade Receivables	-	-	1,459	521,362	522,821
Export documentary remittances	-	-	-	1,632,865	1,632,865
	87,059	20,610,119	2,703,052	12,205,815	35,606,045
Off balance sheet exposure	2,083,098	1,713,142	59,293	779,988	4,635,521
Total on and off-balance sheet	2,170,157	22,323,261	2,762,345	12,985,803	40,241,566

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit risk measurement (Cont'd)

BNI's internal rating scale and mapping of external ratings are set out below:

Internal RATE	PD	PD range	S &P'S	Grade description	IFRS9 Staging
A+	0.00%	0.00%	AAA	Investment Grade	Stage 1
A+	0.00%	0.00%	AA+&AA	Investment Grade	
A	0.01%	< 0,01%		Investment Grade	
B+	0.02%	0,02 - 0,04%	AA-	Investment Grade	
B+	0.02%	0,02 - 0,04%	A+	Investment Grade	
B	0.06%	0,04 - 0,08%	A	Investment Grade	
B	0.06%	0,04 - 0,08%	A-	Investment Grade	
C+	0.16%	0,08 - 0,16%	BBB+	Investment Grade	
C	0.30%	0,16 - 0,32%	BBB	Investment Grade	
C-	0.60%	0,32 - 0,64%	BBB-	Investment Grade	
D+	0.75%	0,64 - 0,85%	BB+	Non-Investment Grade	Stage 2
D	1.25%	0,85 - 1,28%	BB	Non-Investment Grade	
D-	1.90%	1,28 - 2,56%	BB-	Non-Investment Grade	
E+	5.00%	2,56 - 5,12%	B+&B	Non-Investment Grade	
E	12.00%	5,12 - 15%	B-	Non-Investment Grade (Watchlist)	Stage 2 or 3
E-	20.00%	> 15%	CCC&C	Non-Investment Grade (Watchlist)	
F	100.00%	100.00%	D	Default (without legal action)	Stage 3
Z	100.00%	100.00%	D	Default (with legal action)	

Expected credit loss measurement (ECL)

The IFRS 9 impairment model requires the recognition of impairment provisions based on expected credit losses (ECL). It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, lease receivables, loan commitments and certain financial guarantee contracts. The Bank's debt instruments that are currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under IFRS 9.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Expected credit loss measurement (ECL) (Cont'd)

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (SICR) since initial recognition is identifies, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit impaired. Refer to the next section for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'stage 3'. The definition of default and credit-impaired asset has been provided in the next section.
- Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events within the next 12 months. Instruments in stages 2/3 have their ECL measured on expected credit losses on a lifetime basis. Refer to the next section for a description of inputs, assumptions and estimation techniques used in measuring ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (stage 3). Currently the Bank does not have any purchased or originated credit-impaired financial assets on its books.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared credit risk characteristics, such that risk exposures within a group are homogeneous. The Bank's groupings are mainly based on product type.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit impaired financial assets):

CHANGE IN CREDIT QUALITY SINCE INITIAL RECOGNITION

STAGE 1	STAGE 2	STAGE 3
(Initial recognition) 12-Month expected credit losses	(Significant increase in credit risk since initial recognition) Lifetime expected credit losses	(Credit-impaired assets) Lifetime expected credit losses

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Expected credit loss measurement (ECL) (Cont'd)

The key judgements and assumptions adopted by the bank in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following qualitative or backstop criteria have been met.

Qualitative criteria

For Retail portfolios, if the borrower meets one or more of the following criteria:

- Short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Arrears within the last (12) months

For Corporate and Investment portfolios, if the borrower is on the Watchlist and/or the instrument meets one or more of the following criteria:

- Significant increase in credit spread
- Significant adverse changes in business, financial and/or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- Actual or expected significant adverse change in operating results of the borrower
- Significant change in collateral value (secured facilities only) which is expected to increase risk of default
- Early sign of cashflow/liquidity problems such as delay in servicing of trade creditors/loans

The assessment of SICR is performed on a quarterly basis at a portfolio level for all retail financial instruments held by the Bank. In addition to Corporate and Investment Financial Instruments, where a watchlist is used to monitor credit risk, this assessment is performed at the counterparty level on a quarterly basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

BNI defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

The borrower is more than 90 days past due on its contractual payments.

The borrower meets unlikeliness to pay criteria which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Quantitative criteria (Cont'd)

- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

The criteria above have been applied to all financial instruments held by the bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the bank's expected loss calculations.

In case of restructuring and debt consolidation, the asset is considered to be no longer in default (i.e., to have cured) when: (a) down payment of 10% of outstanding debts is made before the consolidation takes place or (b) there is no default after a cooling period of six months.

Measuring ECL- Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per 'Definition of default and credit-impaired' above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M PD), or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.
- LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is an estimate of loss from a transaction, given that a default occurs. It is computed as the loss amount which equals the write-offs, recovery costs, finance fees as a proportion of the exposure at the time of default.

The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owned by the borrower over a 12M or lifetime basis. This will be adjusted for any expected overpayments made by a borrower. Early repayment/ refinance assumptions are also incorporated into the calculation.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Measuring ECL- Explanation of inputs, assumptions and estimation techniques (Cont'd)

- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a 'credit conversion factor' (CCF) which allows for the expected drawdown of the remaining limit by adding the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

LGD are determined based on the factors which impact the recoveries made post default, per customer type and by secured/ unsecured status.

The lifetime PD is computed using the survival analysis method. Using historical data, a survival model was developed to produce a through-the-cycle PD term structure for each portfolio, followed by an econometric regression of the PDs for calibration to a point in time term structure. The lifetime PD is an aggregate of the years in the term structure. The 12-month PD is computed from the term structure as a geometric average of the yearly PDs.

The assumptions under the ECL calculation- such as how the maturity profile of the PDs and how collateral value change are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The calculation of ECL incorporates forward-looking information in the PD model. The PD model projects default rates using economic forecasts and uses a mean reversion approach i.e., the model assumes that projected default rates tend toward the long run average default rate. Together, these allow for the calibration of historical through-the-cycle PDs to forward-looking point-in-time PDs.

The Bank has performed an econometric regression on quarterly historical data to identify the key economic determinants of credit risk in Madagascar. The regression revealed 3 major economic determinants of default rates namely: inflation, private sector credit and exports. BNI used the results of the regression together with economic forecasts of these determinants to arrive at projected default rates.

Economic forecasts are provided by the bank's risk team on a yearly basis and provide the best estimate view of the economy over the next 5 years. Base case forecasts were sourced from trusted third parties (IMF, World Bank). Expert judgement was applied to arrive at pessimistic case forecasts, reflecting the impact of COVID-19. No optimistic case forecasts were derived in the current economic context. Expert judgement also revealed that these forecasts impact every portfolio the same way and so the same forecasts were used for each.

Base case and pessimistic case point-in-time PDs were produced, and these were averaged to arrive at the final point-in-time PD term structure. Same logic was applied across portfolios and staging.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. BNI considers these forecasts to represent its best estimate of the possible outcomes.

Economic variables assumptions

The most significant period-end economic assumptions used in the ECL estimate as of 30 June 2022 are set out below. The scenarios "base case" and "pessimistic case" were used for all portfolios and the rates were the same across all of them. The weightings of each scenario were fixed at 50%. In other words, base case and pessimistic case point-in-time PDs were averaged to arrive at a final term structure. No optimistic case was considered.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Economic variables assumptions (Cont'd)

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a yearly basis.

Economic forecasts are provided in the table below. For ease of presenting, yearly forecasts are provided (whereas the model uses quarterly forecasts).

		2022	2023	2024	2025	2026
Inflation Rate	Base Case	7.40%	7.90%	6.60%	6.20%	5.90%
	Pessimistic Case	6.20%	6.50%	5.50%	5.20%	4.90%
Change in Exports	Base Case	23.30%	13.60%	8.70%	9.10%	13.70%
	Pessimistic Case	17.50%	10.20%	6.50%	6.80%	10.20%
Change in Credit	Base Case	13.00%	11.80%	11.50%	10.30%	9.30%
	Pessimistic Case	7.80%	4.90%	6.00%	5.10%	4.40%

Sensitivity analysis

The most significant economic assumptions affecting ECL allowance are as follows:

1. Inflation. Given inflation's positive correlation with company pricing power as well as the fact that Madagascar government policy tries to increase wages with inflation. Inflation is also a signal of the economic cycle.
2. Change in exports. Exporting goods bring income into the economy contributing positively to GDP, which in turn contributes to a reduction in default rates.
3. Change in private sector credit. Rising private sector credit implies greater funding capacity for growth which contributes to lower default rates. It could also mean loans are being extended / repurchased for later periods.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Sensitivity analysis (Cont'd)

Set out below is a sensitivity analysis on these 3 variables, where each was increased relatively by 10%.

Economic Forecast	Change in ECL (MUR'000)
Inflation Rate	(17,853)
Change in Exports	(1,939)
Change in Credit	(10,771)

A sensitivity analysis was done to compare the impact on the ECL assuming each of the forward-looking base case and pessimistic scenarios were weighted 100% instead of applying scenario probability weights across the three scenarios.

Economic Scenario	ECL (MUR'000)
Base Case	(51,523)
Pessimistic Case	53,766

Maximum exposure to credit risk- Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets overleaf also represents the Bank's maximum exposure to credit risk on these assets:

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers at amortised cost

	30 June 2022			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	20,708,310	-	-	20,708,310
Special Mention	-	1,745,740		1,745,740
Sub-Standard	-	-	3,671,731	3,671,731
Gross carrying amount	20,708,310	1,745,740	3,671,731	26,125,781
Loss Allowance	(264,700)	(68,302)	(1,511,122)	(1,844,124)
Carrying amount	20,443,610	1,677,438	2,160,609	24,281,657

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	16,408,872	-	-	16,408,872
Special Mention	-	1,932,844	-	1,932,844
Sub-Standard	-	-	2,924,133	2,924,133
Gross carrying amount	16,408,872	1,932,844	2,924,133	21,265,849
Loss Allowance	(141,754)	(42,807)	(1,213,175)	(1,397,736)
Carrying amount	16,267,118	1,890,037	1,710,958	19,868,113

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Investment in securities at amortised cost

	30 June 2022			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	6,336,485	-	-	6,336,485
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	6,336,485	-	-	6,336,485
Loss allowance	(1,236)	-	-	(1,236)
Carrying amount	6,335,249	-	-	6,335,249

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	6,208,272	-	-	6,208,272
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	6,208,272	-	-	6,208,272
Loss allowance	(2,421)	-	-	(2,421)
Carrying amount	6,205,851	-	-	6,205,851

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Cash and cash equivalents at amortised cost

	30 June 2022			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	9,712,032	-	-	9,712,032
Special Mention	-	44,881	-	44,881
Sub-Standard	-	-	-	-
Gross carrying amount	9,712,032	44,881	-	9,756,913
Loss allowance	(1,579)	(41)	-	(1,620)
Carrying amount	9,710,453	44,840	-	9,755,293

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	7,378,830	-	-	7,378,830
Special Mention	-	-	-	-
Sub-Standard	-	-	-	-
Gross carrying amount	7,378,830	-	-	7,378,830
Loss allowance	(1,288)	-	-	(1,288)
Carrying amount	7,377,542	-	-	7,377,542

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Trade and other receivables at amortised cost

	30 June 2022			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	511,751	-	-	511,751
Special Mention	-	-	-	-
Sub-Standard	-	-	2,430	2,430
Gross carrying amount	511,751	-	2,430	514,181
Loss Allowance	-	-	(957)	(957)
Carrying amount	511,751	-	1,473	513,224

	30 June 2021			
	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	521,362	-	-	521,362
Special Mention	-	-	-	-
Sub-Standard	-	-	2,408	2,408
Gross carrying amount	521,362	-	2,408	523,770
Loss Allowance	-	-	(949)	(949)
Carrying amount	521,362	-	1,459	522,821

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Off-Balance Sheet items

	30 June 2022			
Financial guarantees	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	4,328,320	-	-	4,328,320
Special Mention	-	107,803	-	107,803
Sub-Standard	-	-	9,280	9,280
Gross carrying amount	4,328,320	107,803	9,280	4,445,403
Loss allowance	(23,571)	(4,184)	(3,807)	(31,562)
Carrying amount	4,304,749	103,619	5,473	4,413,841

	30 June 2021			
Financial guarantees	Stage 1	Stage 2	Stage 3	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Performing	4,605,884	-	-	4,605,884
Special Mention	-	36,412	-	36,412
Sub-Standard	-	-	10,703	10,703
Gross carrying amount	4,605,884	36,412	10,703	4,652,999
Loss allowance	(12,389)	(728)	(4,361)	(17,478)
Carrying amount	4,593,495	35,684	6,342	4,635,521

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Credit impaired assets

	30 June 2022			
	Gross Exposure	Impairment Allowance	Carrying Amount	Fair value of collateral held
	MUR '000	MUR '000	MUR '000	MUR '000
Loans and advances to customers:				
Individual	735,084	(328,406)	406,678	72,730
Professional - SME	891,082	(383,380)	507,702	989,075
Mid-Cap	1,003,581	(395,350)	608,231	3,712,000
Institutional	15,629	(6,157)	9,472	15,592
Corporate	953,292	(375,539)	577,753	2,312,082
Civil Servant	73,063	(22,290)	50,773	3,304
Total	3,671,731	(1,511,122)	2,160,609	7,104,783
Financial guarantees	9,280	(3,807)	5,473	102,128
Total credit-impaired assets	3,681,011	(1,514,929)	2,166,082	7,206,911

	30 June 2021			
	Gross Exposure	Impairment Allowance	Carrying Amount	Fair value of collateral held
	MUR '000	MUR '000	MUR '000	MUR '000
Loans and advances to customers:				
Individual	650,362	(295,146)	355,216	27,236
Professional - SME	587,594	(255,118)	332,476	566,464
Mid-Cap	893,858	(352,812)	541,046	3,288,292
Institutional	7,322	(2,890)	4,432	3,379
Corporate	742,004	(292,842)	449,162	1,469,927
Civil Servant	42,993	(14,367)	28,626	-
Total	2,924,133	(1,213,175)	1,710,958	5,355,298
Financial guarantees	10,703	(4,361)	6,342	269,093
Total credit-impaired assets	2,934,836	(1,217,536)	1,717,300	5,624,391

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

The following tables explain the changes in the loss allowance during the year due to these factors.

Loans and advances to customers – Individual

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2020	98,544	6,354	200,984	305,882
New financial assets originated/ purchased/(derecognised)	44,052	6,102	102,778	152,932
Transfer to Civil Servant Segment	(10,344)	(666)	(21,095)	(32,105)
Changes to PDs/LGDs/EADs	(62,136)	(4,051)	859	(65,328)
Transfers:				
Transfer from Stage 1 to Stage 2	(1,235)	1,623	-	388
Transfer from Stage 1 to Stage 3	(656)	-	13,204	12,548
Transfer from Stage 2 to Stage 1	205	(807)	-	(602)
Transfer from Stage 2 to Stage 3	-	(556)	3,519	2,963
Transfer from Stage 3 to Stage 1	60	-	(1,827)	(1,767)
Transfer from Stage 3 to Stage 2	-	454	(4,152)	(3,698)
Foreign exchange movement	208	26	876	1,110
Loss allowance as at 30 June 2021	68,698	8,479	295,146	372,323
New financial assets originated/purchased/(derecognised)	**81,044**	**4,772**	**85,076**	**170,892**
Transfer to Civil Servant Segment	**-**	**-**	**-**	**-**
Changes to PDs/LGDs/EADs	**(23,028)**	**(3,879)**	**(81,279)**	**(108,186)**
Transfers:				
Transfer from Stage 1 to Stage 2	**(740)**	**4,505**	**-**	**3,765**
Transfer from Stage 1 to Stage 3	**(753)**	**-**	**24,176**	**23,423**
Transfer from Stage 2 to Stage 1	**1,605**	**(3,212)**	**-**	**(1,607)**
Transfer from Stage 2 to Stage 3	**-**	**(397)**	**4,379**	**3,982**
Transfer from Stage 3 to Stage 1	**63**	**-**	**(591)**	**(528)**
Transfer from Stage 3 to Stage 2	**-**	**55**	**(471)**	**(416)**
Foreign exchange movement	**2,304**	**15**	**1,970**	**4,289**
Loss allowance as at 30 June 2022	**129,193**	**10,338**	**328,406**	**467,937**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Civil Servant

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 1 July 2020	-	-	-	-
Transfer from Individual segment	10,344	666	21,095	32,105
New financial assets originated/ purchased/(derecognised)	40,391	1,347	10,834	52,572
Changes to PDs/LGDs/EADs	(36,908)	1,052	(17,619)	(53,475)
Transfers:				
Transfer from Stage 1 to Stage 2	(584)	235	-	(349)
Transfer from Stage 1 to Stage 3	(96)	-	1,286	1,190
Transfer from Stage 2 to Stage 1	5	(586)	-	(581)
Transfer from Stage 2 to Stage 3	-	(86)	573	487
Transfer from Stage 3 to Stage 1	6	-	(1,407)	(1,401)
Transfer from Stage 3 to Stage 2	-	28	(439)	(411)
Foreign exchange movement	40	8	44	92
Loss allowance as at 30 June 2021	13,198	2,664	14,367	30,229
New financial assets originated/ purchased/(derecognised)	**15,972**	**2,476**	**11,633**	**30,081**
Changes to PDs/LGDs/EADs	**(4,444)**	**(1,216)**	**(8,028)**	**(13,688)**
Transfers:				
Transfer from Stage 1 to Stage 2	**(85)**	**337**	**-**	**252**
Transfer from Stage 1 to Stage 3	**(35)**	**-**	**3,289**	**3,254**
Transfer from Stage 2 to Stage 1	**502**	**(1,277)**	**-**	**(775)**
Transfer from Stage 2 to Stage 3	**-**	**(64)**	**1,361**	**1,297**
Transfer from Stage 3 to Stage 1	**12**	**-**	**(318)**	**(306)**
Transfer from Stage 3 to Stage 2	**-**	**3**	**(81)**	**(78)**
Foreign exchange movement	**74**	**3**	**67**	**144**
Loss allowance as at 30 June 2022	**25,194**	**2,926**	**22,290**	**50,410**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Professional SME

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 01 July 2020	2,908	4,499	246,655	254,062
New financial assets originated/ purchased/(derecognised)	1,956	1,212	19,523	22,691
Changes to PDs/LGDs/EADs	(2,187)	(4,410)	(13,649)	(20,246)
Transfers:				
Transfer from Stage 1 to Stage 2	(100)	125	-	25
Transfer from Stage 1 to Stage 3	(109)	-	2,291	2,182
Transfer from Stage 2 to Stage 1	2	(20)	-	(18)
Transfer from Stage 2 to Stage 3	-	(290)	3,129	2,839
Transfer from Stage 3 to Stage 1	3	-	(485)	(482)
Transfer from Stage 3 to Stage 2	-	300	(3,119)	(2,819)
Foreign exchange movement	8	4	773	785
Loss allowance as at 30 June 2021	2,481	1,420	255,118	259,019
New financial assets originated/ purchased/(derecognised)	**4,349**	**903**	**97,747**	**102,999**
Changes to PDs/LGDs/EADs	**(188)**	**(790)**	**(15,111)**	**(16,089)**
Transfers:				
Transfer from Stage 1 to Stage 2	**(375)**	**606**	**-**	**231**
Transfer from Stage 1 to Stage 3	**(1,021)**	**-**	**34,937**	**33,916**
Transfer from Stage 2 to Stage 1	**41**	**(270)**	**-**	**(229)**
Transfer from Stage 2 to Stage 3	**-**	**(277)**	**11,630**	**11,353**
Transfer from Stage 3 to Stage 1	**7**	**-**	**(994)**	**(987)**
Transfer from Stage 3 to Stage 2	**-**	**16**	**(1,997)**	**(1,981)**
Foreign exchange movement	**59**	**23**	**2,050**	**2,132**
Loss allowance as at 30 June 2022	**5,353**	**1,631**	**383,380**	**390,364**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Midcap

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 01 July 2020	49,875	26,030	270,171	346,076
New financial assets originated/ purchased/(derecognised)	26,744	18,054	83,394	128,192
Changes to PDs/LGDs/EADs	(37,996)	(22,897)	(15,865)	(76,758)
Transfers:				
Transfer from Stage 1 to Stage 2	(669)	2,834	-	2,165
Transfer from Stage 1 to Stage 3	(158)	-	14,103	13,945
Transfer from Stage 2 to Stage 1	546	(1,567)	-	(1,021)
Transfer from Stage 2 to Stage 3	-	(922)	4,019	3,097
Transfer from Stage 3 to Stage 1	-	-	-	-
Transfer from Stage 3 to Stage 2	-	339	(4,079)	(3,740)
Foreign exchange movement	117	66	1,069	1,252
Loss allowance as at 30 June 2021	38,459	21,937	352,812	413,208
New financial assets originated/ purchased/(derecognised)	**28,761**	**24,835**	**101,504**	**155,100**
Changes to PDs/LGDs/EADs	**(25,247)**	**(16,183)**	**(75,829)**	**(117,259)**
Transfers:				
Transfer from Stage 1 to Stage 2	**(799)**	**2,598**	**-**	**1,799**
Transfer from Stage 1 to Stage 3	**(498)**	**-**	**26,185**	**25,687**
Transfer from Stage 2 to Stage 1	**44**	**(160)**	**-**	**(116)**
Transfer from Stage 2 to Stage 3	**-**	**(1,088)**	**19,103**	**18,015**
Transfer from Stage 3 to Stage 1	**30**	**-**	**(5,799)**	**(5,769)**
Transfer from Stage 3 to Stage 2	**-**	**1,886**	**(24,838)**	**(22,952)**
Foreign exchange movement	**157**	**288**	**2,212**	**2,657**
Loss allowance as at 30 June 2022	**40,907**	**34,113**	**395,350**	**470,370**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Institutional

Loss allowance	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	MUR '000	MUR '000	MUR '000	MUR '000
Loss allowance as at 01 July 2020	6	1	3,333	3,340
New financial assets originated/purchased/(derecognised)	38	-	257	295
Changes to PDs/LGDs/EADs	1	(1)	(95)	(95)
Transfers:				
Transfer from Stage 1 to Stage 2	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	33	33
Transfer from Stage 2 to Stage 1	-	-	-	0
Transfer from Stage 2 to Stage 3	-	-	87	87
Transfer from Stage 3 to Stage 1	1	-	(727)	(726)
Transfer from Stage 3 to Stage 2	-	-	(7)	(7)
Foreign exchange movement	-	-	9	9
Loss allowance as at 30 June 2021	46	-	2,890	2,936
New financial assets originated/ purchased/(derecognised)	**5**	**6**	**3,792**	**3,803**
Changes to PDs/LGDs/EADs	**(32)**	**(4)**	**(57)**	**(93)**
Transfers:				
Transfer from Stage 1 to Stage 2	**(2)**	**10**	**-**	**8**
Transfer from Stage 1 to Stage 3	**-**	**-**	**11**	**11**
Transfer from Stage 2 to Stage 1	**-**	**-**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**-**	**-**	**-**
Transfer from Stage 3 to Stage 1	**-**	**-**	**(103)**	**(103)**
Transfer from Stage 3 to Stage 2	**-**	**1**	**(395)**	**(394)**
Foreign exchange movement	**1**	**4**	**19**	**24**
Loss allowance as at 30 June 2022	**18**	**17**	**6,157**	**6,192**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Loans and advances to customers – Corporate

Loss allowance	Stage 1 12-month ECL MUR '000	Stage 2 Lifetime ECL MUR '000	Stage 3 Lifetime ECL MUR '000	Total MUR '000
Loss allowance as at 01 July 2020	16,883	3,714	194,876	215,473
New financial assets originated/purchased/(derecognised)	10,328	7,959	80,609	98,896
Changes to PDs/LGDs/EADs	(8,519)	(1,916)	5,171	(5,264)
Transfers:				
Transfer from Stage 1 to Stage 2	(6)	89	-	83
Transfer from Stage 1 to Stage 3	-	-	540	540
Transfer from Stage 2 to Stage 1	129	(218)	-	(89)
Transfer from Stage 2 to Stage 3	-	(1,346)	10,770	9,424
Transfer from Stage 3 to Stage 1	-	-	(9)	(9)
Transfer from Stage 3 to Stage 2	-	-	(2)	(2)
Foreign exchange movement	57	25	887	969
Loss allowance as at 30 June 2021	18,872	8,307	292,842	320,021
New financial assets originated/purchased/(derecognised)	37,064	11,013	128,298	176,375
Changes to PDs/LGDs/EADs	7,374	(5,928)	(75,679)	(74,233)
Transfers:				
Transfer from Stage 1 to Stage 2	(335)	7,212	-	6,877
Transfer from Stage 1 to Stage 3	-	-	-	-
Transfer from Stage 2 to Stage 1	981	(1,051)	-	(70)
Transfer from Stage 2 to Stage 3	-	(285)	28,601	28,316
Transfer from Stage 3 to Stage 1	-	-	(467)	(467)
Transfer from Stage 3 to Stage 2	-	2	(32)	(30)
Foreign exchange movement	78	8	1,976	2,062
Loss allowance as at 30 June 2022	64,034	19,278	375,539	458,851

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers - Individual

	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
Opening balance 1 July 2020	2,416,215	98,814	328,007	2,843,036
Transfer to Civil servant	(1,218,048)	(63,882)	(52,618)	(1,334,548)
New financial assets originated/purchased/(derecognised)	734,489	69,913	345,670	1,150,072
Transfer from Stage 1 to Stage 2	(21,747)	21,747	-	-
Transfer from Stage 1 to Stage 3	(28,266)	-	28,266	-
Transfer from Stage 2 to Stage 1	6,271	(6,271)	-	-
Transfer from Stage 2 to Stage 3	-	(7,542)	7,542	-
Transfer from Stage 3 to Stage 1	1,889	-	(1,889)	-
Transfer from Stage 3 to Stage 2	-	5,548	(5,548)	-
Foreign exchange movement	6,866	281	932	8,079
Gross carrying amount as at 30 June 2021	1,897,669	118,608	650,362	2,666,639
New financial assets originated/purchased/(derecognised)	358,564	(44,136)	18,401	332,829
Transfer from Stage 1 to Stage 2	(33,102)	33,102	-	-
Transfer from Stage 1 to Stage 3	(56,013)	-	56,013	-
Transfer from Stage 2 to Stage 1	27,700	(27,700)	-	-
Transfer from Stage 2 to Stage 3	-	(9,528)	9,528	-
Transfer from Stage 3 to Stage 1	1,069	-	(1,069)	-
Transfer from Stage 3 to Stage 2	-	413	(413)	-
Foreign exchange movement	14,015	2,318	2,262	18,595
Gross carrying amount as at 30 June 2022	2,209,902	73,077	735,084	3,018,063

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers – Civil servant

	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
Opening balance 1 July 2020	-	-	-	-
New financial assets originated/purchased/(derecognised)	687,824	(10,579)	(3,395)	673,850
Transfer from Individual	1,259,901	50,400	24,247	1,334,548
Transfer from Stage 1 to Stage 2	(12,154)	12,154	-	-
Transfer from Stage 1 to Stage 3	(3,855)	-	3,855	-
Transfer from Stage 2 to Stage 1	692	(692)	-	-
Transfer from Stage 2 to Stage 3	-	(1,718)	1,718	-
Transfer from Stage 3 to Stage 1	950	-	(950)	-
Transfer from Stage 3 to Stage 2	-	1,228	(1,228)	-
Foreign exchange movement	5,842	233	18,746	24,821
Gross carrying amount as at 30 June 2021	1,939,200	51,026	42,993	2,033,219
New financial assets originated/purchased/(derecognised)	**686,761**	**88,635**	**16,034**	**791,430**
Transfer from Individual				
Transfer from Stage 1 to Stage 2	**(12,697)**	**12,697**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(10,752)**	**-**	**10,752**	**-**
Transfer from Stage 2 to Stage 1	**53,533**	**(53,533)**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(4,455)**	**4,455**	**-**
Transfer from Stage 3 to Stage 1	**1,313**	**-**	**(1,313)**	**-**
Transfer from Stage 3 to Stage 2	**-**	**146**	**(146)**	**-**
Foreign exchange movement	**11,579**	**179**	**288**	**12,046**
Gross carrying amount as at 30 June 2022	**2,668,937**	**94,695**	**73,063**	**2,836,695**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers – SME

	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
Opening balance 1 July 2020	18,865	220,669	317,517	557,051
New financial assets originated/purchased/(derecognised)	26,073	22,724	248,643	297,440
Transfer from Stage 1 to Stage 2	(12,054)	12,054	-	-
Transfer from Stage 1 to Stage 3	(14,817)	-	14,817	-
Transfer from Stage 2 to Stage 1	311	(311)	-	-
Transfer from Stage 2 to Stage 3	-	(7,374)	7,374	-
Transfer from Stage 3 to Stage 1	486	-	(486)	-
Transfer from Stage 3 to Stage 2	-	1,751	(1,751)	-
Foreign exchange movement	87	1,029	1,481	2,597
Gross carrying amount as at 30 June 2021	18,952	250,543	587,594	857,089
New financial assets originated/purchased/(derecognised)	**952,517**	**(143,163)**	**186,919**	**996,273**
Transfer from Stage 1 to Stage 2	**(36,333)**	**36,333**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(85,512)**	**-**	**85,512**	**-**
Transfer from Stage 2 to Stage 1	**7,246**	**(7,246)**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(28,064)**	**28,064**	**-**
Transfer from Stage 3 to Stage 1	**1,187**	**-**	**(1,187)**	**-**
Transfer from Stage 3 to Stage 2	**-**	**1,174**	**(1,174)**	**-**
Foreign exchange movement	**2,868**	**548**	**5,354**	**8,770**
Gross carrying amount as at 30 June 2022	**860,925**	**110,125**	**891,082**	**1,862,132**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers – Midcap

	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Opening balance 1 July 2020	2,724,029	227,121	415,388	3,366,538
New financial assets originated/purchased/(derecognised)	177,078	160,186	437,947	775,211
Transfer from Stage 1 to Stage 2	(77,526)	77,526	-	-
Transfer from Stage 1 to Stage 3	(35,800)	-	35,800	-
Transfer from Stage 2 to Stage 1	33,696	(33,696)	-	-
Transfer from Stage 2 to Stage 3	-	(10,201)	10,201	-
Transfer from Stage 3 to Stage 1	13	-	(13)	-
Transfer from Stage 3 to Stage 2	-	7,018	(7,018)	-
Foreign exchange movement	10,184	850	1,553	12,587
Gross carrying amount as at 30 June 2021	2,831,674	428,804	893,858	4,154,336
New financial assets originated/purchased/(derecognised)	**29,942**	**217,045**	**34,663**	**281,650**
Transfer from Stage 1 to Stage 2	**(61,890)**	**61,890**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(66,470)**	**-**	**66,470**	**-**
Transfer from Stage 2 to Stage 1	**2,423**	**(2,423)**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(48,492)**	**48,492**	**-**
Transfer from Stage 3 to Stage 1	**2,138**	**-**	**(2,138)**	**-**
Transfer from Stage 3 to Stage 2	**-**	**43,760**	**(43,760)**	**-**
Foreign exchange movement	**8,272**	**2,499**	**5,996**	**16,767**
Gross carrying amount as at 30 June 2022	**2,746,089**	**703,083**	**1,003,581**	**4,452,753**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers – Institutional

	Stage 1	Stage 2	Stage 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
Opening balance 1 July 2020	538,877	1,490	5,128	545,495
New financial assets originated/purchased/(derecognised)	(449,592)	454	3,505	(445,633)
Transfer from Stage 1 to Stage 2	(2)	2	-	-
Transfer from Stage 1 to Stage 3	(84)	-	84	-
Transfer from Stage 2 to Stage 1	242	(242)	-	-
Transfer from Stage 2 to Stage 3	-	(221)	221	-
Transfer from Stage 3 to Stage 1	1,913	-	(1,913)	-
Transfer from Stage 3 to Stage 2	-	9	(9)	-
Foreign exchange movement	-	-	307	307
Gross carrying amount as at 30 June 2021	91,354	1,492	7,323	100,169
New financial assets originated/purchased/(derecognised)	**592,383**	**4,846**	**8,973**	**606,202**
Transfer from Stage 1 to Stage 2	**(9,943)**	**9,943**	**-**	**-**
Transfer from Stage 1 to Stage 3	**(29)**	**-**	**29**	**-**
Transfer from Stage 2 to Stage 1	**4**	**(4)**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**-**	**-**	**-**
Transfer from Stage 3 to Stage 1	**182**	**-**	**(182)**	**-**
Transfer from Stage 3 to Stage 2	**-**	**561**	**(561)**	**-**
Foreign exchange movement	**536**	**67**	**48**	**651**
Gross carrying amount as at 30 June 2022	**674,487**	**16,905**	**15,630**	**707,022**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Gross loans and advances to customers – Corporate

	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000
Opening balance 1 July 2020	9,571,463	550,032	299,868	10,421,363
New financial assets originated/purchased/(derecognised)	(25,296)	611,214	412,433	998,351
Transfer from Stage 1 to Stage 2	(11,348)	11,348	-	-
Transfer from Stage 1 to Stage 3	(1,373)	-	1,373	-
Transfer from Stage 2 to Stage 1	64,719	(64,719)	-	-
Transfer from Stage 2 to Stage 3	-	(27,339)	27,339	-
Transfer from Stage 3 to Stage 1	4	-	(4)	-
Transfer from Stage 3 to Stage 2	-	4	(4)	-
Foreign exchange movement	-	4	(4)	-
Gross carrying amount as at 30 June 2021	9,630,024	1,082,370	742,004	11,454,398
New financial assets originated/purchased/(derecognised)	**1,956,974**	**(349,574)**	**133,338**	**1,740,738**
Transfer from Stage 1 to Stage 2	**(269,316)**	**269,316**	**-**	**-**
Transfer from Stage 2 to Stage 1	**184,624**	**(184,624)**	**-**	**-**
Transfer from Stage 2 to Stage 3	**-**	**(72,601)**	**72,601**	**-**
Transfer from Stage 3 to Stage 1	**3**	**-**	**(3)**	**-**
Transfer from Stage 3 to Stage 2	**-**	**91**	**(91)**	**-**
Foreign exchange movement	**45,664**	**2,875**	**5,443**	**53,982**
Gross carrying amount as at 30 June 2022	**11,547,973**	**747,853**	**953,292**	**13,249,118**

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Concentrations of credit risk

The Bank monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans and advances, loan commitments, financial guarantees and investment securities is shown below:

	2022 MUR '000	2021 MUR '000
(i) Concentration by sector		
Government	6,346,206	9,333,433
Bank	10,516,501	4,573,839
Retail - Mortgages	336,930	2,542,866
Retail - Unsecured	6,000,703	1,775,970
Corporate – Real estate	4,505,320	1,735,372
Corporate – Transport	-	663,357
Corporate – Others	20,043,256	17,986,303
Total	47,748,916	38,611,140
(ii) Concentration by location		
Africa	45,728,274	37,511,128
Europe	1,927,276	894,914
North America	13	8
Asia	93,353	205,090
Total	47,748,916	38,611,140

(c) Liquidity risk

Banking specific segment

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as corporate payments (tax, dividends, etc). Such outflows would deplete available cash resources for client lending, trading activities and investments. The Group`s liquidity management process is carried out by the group treasury team.

In extreme circumstances, lack of liquidity could potentially lead to the inability to fulfil regulatory requirement of the Obligatory Reserve ('OR'). This OR consists of maintaining a minimum monthly average balance (based on daily closing balances) in BNI's settlement account at the Central Bank of Madagascar. This threshold is determined for each current month as 13% of the last month total of individual and corporate customers' deposits in both MGA and foreign currency.

The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of commercial-specific events – like aggressive campaigns on deposits collection by the competition, or aggressive self-campaign of loan distribution – or market-wide events like cycles related to the agricultural sector (Vanilla, clover, etc.) or seasonality.

Liquidity risk management process

The Bank's liquidity management process is carried out within the bank by the Finance department and governed by the monthly ALCO (Assets & Liabilities Committee) and quarterly ALM (Assets & Liabilities Management) committees.

Moreover, there is an operational daily process with a close-of-day report, issued by the dealing room, summarising the various updated indicators and proposing the next day actions and an updated view on the landing end-of-month situation. There is a daily calculation of the internal "availability ratio" which is the remaining amount of bills available for repo against the deposit base (same base used for OR calculation). The objective is to keep up with an availability ratio above 15% (vs the 13% of OR).

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Points covered in the monthly meeting include but are not limited to the following:

- Review of market liquidity situation
- Evolution of the total balances above the total Obligatory Reserves
- Central Bank of Madagascar feedback and perspectives
- Central Bank of Madagascar feedback short-term and mid-term interventions (lending / borrowing) and issuances of treasury bills
- Review of treasury flows, commerce, loans and deposits projections and borrowings/placements decision Funding approach

The available sources of funding for the bank consist of:

- Cash and balance with central bank; (to be noted that the full balance is available as long as the monthly average balance exceeds the monthly level of Obligatory Reserves)
- Balances of nostro accounts;
- Interbank borrowings (overnight); the 4 primary banks, including BNI, are the main actors in the market
- Government bonds that are fully liquid and readily acceptable in repurchase agreements with central bank on an overnight basis;
- Central Bank of Madagascar liquidity injection at its discretion to adjust the market liquidity in case of market shortfall due to macro-economic seasonality;

The liquidity management objective is to fulfill the minimum required balance at the Central Bank of Madagascar account at any point in time to comply with the OR but also to avoid unproductive excess of balance. In case of projected shortage, The bank uses interbank borrowing with preferential rates (depending on banks' liquidity situation) and government treasury bills.

The utilisation of the funding sources is reported daily and reviewed in the ALCO.

The maturity gap report slots the inflows and outflows in different maturity buckets as defined by the Bank of Madagascar, according to the expected timing of cash flows.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

The table below analyses the BNI's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

2022	< 3 months MUR '000	3-6 months MUR '000	6-12 months MUR '000	1-3 years MUR '000	> 3 years MUR '000	No-fixed maturity MUR '000	Total MUR '000
Assets							
Trade and other receivables	-	-	-	-	-	513,224	513,224
Loans and advances to customers	11,401,346	1,019,253	682,343	3,800,855	13,324,734	-	30,228,531
Other Financial Assets	-	-	-	-	-	15,175	15,175
Investment securities	-	-	2,260,371	4,817,488	-	-	7,077,859
Export documentary remittances	-	-	-	-	-	2,449,652	2,449,652
Cash and cash equivalents	9,795,573	-	-	-	-	-	9,795,573
	21,196,919	1,019,253	2,942,714	8,618,343	13,324,734	2,978,051	50,080,014
2022							
Liabilities							
Deposits from customers	30,176,399	948,938	698,607	260,345	16,388	1,100,243	33,200,920
Borrowings	3,528,600	-	-	-	759,577	-	4,288,177
Trade and other payables	-	-	-	-	-	2,294,885	2,294,885
Export documentary remittances	-	-	-	-	-	2,457,230	2,457,230
Lease liabilities	10,830	9,981	18,398	46,661	2,881	-	88,751
Provision for other liabilities and charges	44,414	-	-	-	-	20,729	65,143
	33,760,243	958,919	717,005	307,006	778,846	5,873,087	42,395,106
On balance sheet liquidity gap	(12,563,324)	60,334	2,220,719	8,314,987	12,547,228	(2,895,035)	7,684,909
Off balance sheet commitment	2,371,686	836,809	487,331	720,606	10,049	-	4,426,481
Net liquidity gap	(10,191,638)	897,143	2,708,050	9,035,593	12,557,277	(2,895,035)	12,111,390

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

2021	< 3 months MUR '000	3-6 months MUR '000	6-12 months MUR '000	1-3 years MUR '000	> 3 years MUR '000	No-fixed maturity MUR '000	Total MUR '000
Assets							
Trade and other receivables	522,821	-	-	-	-	-	522,821
Loans and advances to customers	8,829,707	2,593,391	1,638,802	5,341,617	1,869,414	-	20,272,931
Loans and advances to banks	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	15,213	15,213
Investment securities	436,874	315,806	1,845,078	4,549,343	-	-	7,147,101
Export documentary remittances	1,632,865	-	-	-	-	-	1,632,865
Cash and cash equivalents	7,376,395	-	-	-	-	-	7,376,395
	18,798,662	2,909,197	3,483,880	9,890,960	1,869,414	15,213	36,967,326
2021							
Liabilities							
Deposits from customers	26,829,711	1,223,725	1,111,765	9,867	-	-	29,175,068
Borrowings	2,191,191	459,696	-	-	-	-	2,650,887
Trade and other payables	774,480	-	-	-	-	-	774,480
Export documentary remittances	1,633,936	-	-	-	-	-	1,633,936
Lease liabilities	6,619	12,103	15,975	52,308	4,647	-	91,652
Provision for other liabilities and charges	2,980	-	-	-	-	-	2,980
	31,438,917	1,695,524	1,127,740	62,175	4,647	-	34,329,003
On balance sheet liquidity gap	(12,640,255)	1,213,673	2,356,140	9,828,785	1,864,767	15,213	2,638,323
Off balance sheet commitment	3,250,802	-	1,158,175	244,022	-	-	4,652,999
Net liquidity gap	(9,389,453)	1,213,673	3,514,315	10,072,807	1,864,767	15,213	7,291,322

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Non-banking specific segment

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group and the Company aim at maintaining flexibility in funding by keeping reliable credit lines available. The Directors monitor rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the non-derivative financial liabilities of the Group; excluding BNI, and the Company into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

THE GROUP	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2022				
Borrowings	4,152,383	3,266,664	10,655,745	18,074,792
Trade and other payables	4,162,597	1,878,877	-	6,041,474
Provision and other liabilities	36,551	3,102	3,768	43,421
Lease liabilities	112,333	248,522	6,487,673	6,848,528
	8,463,864	5,397,165	17,147,186	31,008,215

THE GROUP	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2021				
Borrowings	2,656,135	2,388,596	16,570,659	21,615,390
Trade and other payables	3,416,891	903,036	13,830	4,333,757
Provision and other liabilities	35,693	-	62,421	98,114
Lease liabilities	93,788	284,377	7,596,541	7,974,706
	6,202,507	3,576,009	24,243,451	34,021,967

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity risk (Cont'd)

(ii) Banking specific segment – BNI Madagascar SA ("BNI") (Cont'd)

Non-banking specific segment (Cont'd)

THE COMPANY	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2022				
Borrowings	35,627	479,767	3,517,985	4,033,379
Trade and other payables	34,267	-	-	34,267
	69,894	479,767	3,517,985	4,067,646

THE COMPANY	Less than 3 months MUR '000	Between 3 months and 1 year MUR '000	Greater than 1 year MUR '000	Total MUR '000
At 30 June 2021				
Borrowings	254,196	108,642	3,850,955	4,213,793
Trade and other payables	43,067	-	-	43,067
	297,263	108,642	3,850,955	4,256,860

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk

The Bank is exposed to market risks, which is the risk that the fair value or future cash flows of a financial fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, curry and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Bank separates exposure to market risk into either trading or non-trading portfolios.

The market risk arising from trading and non-trading activities are concentrated in the Bank's Treasury teams. Regular reports are submitted to the Management and the Board of Directors. The Board of Directors risk strategy, risk policies and prudential limits within which the operations are to be carried out.

The market risk arising from trading and non-trading activities are concentrated in the Bank's Treasury teams. Regular reports are submitted to the management and the Board of Directors. The Board approves the risk strategy, risk policies and prudential limits within which the operations are to be carried out. Compliance to the strategy, policies and prudential limits are monitored by the risk committee. Management monitors adherence to the limits daily, which facilitates the risk management.

Non-trading portfolios primarily arise from the interest rate management of the Bank's commercial banking assets and liabilities.

The cash surplus is placed either:

(i) Through a subscription of treasury bonds or on the local money market ('PMML') for local currency; or

(ii) On the international money market for foreign currencies with limits imposed on each category of equity/debt based on the level of risk inherent in the market. Once 90% of the limit is exceeded, the placement is flagged and appropriate measures are taken to allocate the cash surplus in an alternative way.

All foreign currencies are transacted on the foreign exchange interbank market while the purchases and sales are carried out in cash.

(i) Interest rate risk

Banking specific segment

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may induce losses in the event that unexpected movements arise.

The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by Group Treasury.

Treasury Bonds

The Treasury Bonds are held until maturity. They are valued at cost and bear a fixed interest rate. Following local applicable rules in Madagascar, the bonds are not revalued at market price at maturity.

Interbank placements are also at a fixed interest rate.

Bonds in foreign currencies are placed for a period between 3 to 6 months, at a pre-agreed rate.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

*(i) **Interest rate risk (Cont'd)***

Banking specific segment (Cont'd)

Clients transactions

The bank's prime lending rate is indexed on the Prime Lending Rate ('PLR') of the Central Bank of Madagascar, which is then used to determine the different applicable rates for credit lending. The Central Bank's Prime Lending Rate increased from 8.3% to 9% in May 2017 and was subsequently increased to 9.5% on 9 November 2017. BNI's Prime Lending Rate has remained unchanged at 14.9% since 2009. On 2 August 2022, the Central Bank revised its PLR to 8.9%. The Bank is currently assessing the impact of the change and has not yet taken any stance on whether to make any adjustments to its PLR.

Most of the bank's credit is at a variable rate indexed to the PLR, hence more or less fixed (unchanged since 2009). There is no correlation between the rates on the government bonds and the prime lending rate applied by BNI.

Deposits are remunerated at a fixed rate.

The bank manages the net interest margin rather than the actual rates on lending and deposits. The deposit rates and lending rates are discussed and agreed during monthly ALCO meetings, depending on the liquidity situation of the bank.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

*(i) **Interest rate risk (Cont'd)***

Banking specific segment (Cont'd)

The table below summarises BNI's non-trading book fair value exposure to interest rate risks. It includes financial instruments at carrying value categorised by the earlier of contractual maturity and date of repricing. The interest sensitivity of assets and liabilities for the Bank is as follows:

2022	< 3 months MUR '000	3-6 months MUR '000	6-12 months MUR '000	1-3 years MUR '000	> 3 years MUR '000	Non-Interest Bearing MUR '000	Total MUR '000
Assets							
Cash and cash equivalents	4,362,546	-	-	-	-	5,392,747	9,755,293
Investment securities	-	-	2,142,954	4,192,295	-	-	6,335,249
Loans and advances to customers	11,384,274	1,006,442	606,933	3,063,519	8,220,489	-	24,281,657
Other Financial Assets	-	-	-	-	-	15,175	15,175
Trade and other receivables	-	-	-	-	-	513,224	513,224
Export documentary remittances	-	-	-	-	-	2,449,652	2,449,652
	15,746,820	1,006,442	2,749,887	7,255,814	8,220,489	8,370,798	43,350,250
Liabilities							
Deposits from customers	(30,143,269)	(926,720)	(649,497)	(258,265)	(15,016)	(1,100,243)	(33,093,010)
Borrowings	(3,524,101)	-	-	-	(468,659)	-	(3,992,760)
Lease liabilities	(10,830)	(9,981)	(23,388)	(43,011)	(1,541)	-	(88,751)
Trade and other payables	-	-	-	-	-	(2,294,885)	(2,294,885)
Export documentary remittances	-	-	-	-	-	(2,457,230)	(2,457,230)
Provision for other liabilities and charges	-	-	-	-	-	(65,143)	(65,143)
	(33,678,200)	(936,701)	(672,885)	(301,276)	(485,216)	(5,917,501)	(41,991,779)
Off-Balance Sheet items attracting interest rate sensitivity	2,370,951	834,180	483,921	717,354	7,435	-	4,413,841
Interest rate sensitivity gap	(15,560,429)	903,921	2,560,923	7,671,892	7,742,708	2,453,297	5,772,312

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

Banking specific segment (Cont'd)

2021	< 3 months MUR '000	3-6 months MUR '000	6-12 months MUR '000	1-3 years MUR '000	> 3 years MUR '000	Non-Interest Bearing MUR '000	Total MUR '000
Assets							
Cash and cash equivalents	3,349,014	-	-	-	-	4,027,380	7,376,394
Investment securities	425,275	304,142	1,725,855	3,753,001	-	-	6,208,273
Loans and advances to customers	8,804,036	2,567,980	1,569,625	5,094,451	1,852,807	-	19,888,899
Loans and advances to banks	-	-	-	-	-	-	0
Other investments	-	-	-	-	-	15,213	15,213
Trade and other receivables	-	-	-	-	-	522,821	522,821
Export documentary remittances	-	-	-	-	-	1,632,865	1,632,865
	12,578,325	2,872,122	3,295,480	8,847,452	1,852,807	6,198,279	35,644,465
Liabilities							
Deposits from customers	(27,252,749)	(767,312)	(1,059,149)	(8,947)	(44)	-	(29,088,201)
Borrowings	(2,180,000)	(457,800)	-	-	-	-	(2,637,800)
Lease liabilities	(6,619)	(12,103)	(15,975)	(52,308)	(4,647)	-	(91,652)
Trade and other payables	-	-	-	-	-	(774,480)	(774,480)
Export documentary remittances	-	-	-	-	-	(1,633,936)	(1,633,936)
Provision for other liabilities and charges	-	-	-	-	-	(2,980)	(2,980)
	(29,439,368)	(1,237,215)	(1,075,124)	(61,255)	(4,691)	(2,411,396)	(34,229,049)
Off-Balance Sheet items attracting interest rate sensitivity	3,250,802	-	1,158,175	244,022	-	-	4,652,999
Interest rate sensitivity gap	(13,610,241)	1,634,907	3,378,531	9,030,219	1,848,116	3,786,883	6,068,415

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

Banking specific segment (Cont'd)

BNI is exposed to interest rate risk as it borrows funds at floating interest rates. BNI's policy is to minimise exposure to interest rate movements without exposing itself to speculation or undue risk. BNI manages its exposure to fluctuations in interest rates with a view to containing its net interest costs or securing its interest revenues through the purchase of certain hedging instruments such as interest rate caps, floors, swaps or forward rate agreements.

The current policy is to have a good mix of fixed and variable interest rate.

Non-banking specific segment

The Group is exposed to interest rate cash flow as it borrows at variable and fixed rates. This risk is somehow mitigated by non-current receivables and loans at call being granted at variable rates.

The risk for the group is managed by maintaining an appropriate mix between fixed and floating rate borrowings, and the use of interest rate swap contracts.

Had interest rate on financial liabilities changed by 1%; with all other variables held constant, the effect on profit or loss would be as follows for the Group, excluding BNI.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR 'M	MUR 'M	MUR 'M	MUR 'M
1% increase in interest rate	(110)	(91)	(5)	(5)
1% decrease in interest rate	110	91	5	5

(ii) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

The Group has a treasury department in place where foreign exchange exposure risk is monitored and managed. If necessary, management can also use financial instruments to hedge currency risk.

Banking specific segment

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Central Bank has set the limit to 20% of Available Tier 1 Capital and the bank has set an internal threshold of 13%. The accounting department provides this information to the Trading Floor for effective monitoring of the limit.

Furthermore, an internal report is issued on a daily basis, and a monthly report is sent to the Central Bank on a monthly basis.

Control mechanisms in place in case of a substantial change in the exchange rate are listed below:

- If there is a strong appreciation of the Ariary, the Bank takes a short position for up to 13%.
- In the event of a strong depreciation, the Bank may go long and up to 13%.

The Bank is primarily exposed to EURO and USD.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

The banking segment's financial assets and financial liabilities are denominated in the following foreign currencies:

	USD	EURO	Others
	MUR '000	MUR '000	MUR '000
At June 30, 2022			
Assets			
Banking specific segment			
Investments in other financial assets	-	-	15,175
Investment securities	-	-	6,335,249
Loans and advances to customers	678,503	672,878	22,930,276
Trade and other receivables	-	-	513,224
Export documentary remittances	-	-	2,449,652
Cash and cash equivalents	2,127,713	2,196,034	5,431,529
Total Assets	2,806,216	2,868,912	37,675,105
Liabilities			
Banking specific segment			
Trade and other payables	-	-	2,294,885
Deposits from customers	2,295,854	2,434,439	28,362,717
Borrowings	224,101	468,659	3,300,000
Export documentary remittances	-	-	2,457,230
Provision for other liabilities and charges	-	-	65,143
Lease Liability	-	-	88,751
Total Liabilities	2,519,955	2,903,098	36,568,726
Net on balance sheet position	286,261	(34,186)	1,106,379

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

	USD	EURO	Others
	MUR '000	MUR '000	MUR '000
At June 30, 2021			
Assets			
Banking specific segment			
Investments in other financial assets	-	597	14,616
Investment securities	-	-	6,205,851
Loans and advances to customers	495,403	534,478	18,838,232
Trade and other receivables	-	-	522,821
Export documentary remittances	-	-	1,632,865
Cash and cash equivalents	1,589,048	1,717,927	4,068,629
Total Assets	2,084,451	2,253,002	31,283,014
Liabilities			
Banking specific segment			
Trade and other payables	-	-	774,480
Deposits from customers	1,651,019	2,133,139	25,304,041
Borrowings	-	-	2,637,800
Export documentary remittances	-	-	1,633,936
Provision for other liabilities and charges	-	-	2,980
Lease Liability	-	-	91,651
Total Liabilities	1,651,019	2,133,139	30,444,889
Net on balance sheet position	433,432	119,863	838,125

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

The following table details the banking segment's sensitivity to a 5% change in the rupee against the relevant foreign currencies:

	2022		2021	
	Profit or loss MUR 'M	Equity MUR 'M	Profit or loss MUR 'M	Equity MUR 'M
MUR/USD exchange rate – increase 5%	(12)	(12)	(21)	(21)
MUR/USD exchange rate – decrease 5%	12	12	21	21
MUR/EUR exchange rate – increase 5%	(1)	(1)	(5)	(5)
MUR/EUR exchange rate – decrease 5%	1	1	5	5

Non-banking specific segment

The Group is primarily exposed to USD, EUR, GBP and ZAR. Foreign exchange risk arises from future commercial transactions.

Forward contracts are used to mitigate foreign currency risks.

The following table details the Group's exposure to foreign currencies as at 30 June 2022 and 30 June 2021:

	THE GROUP	
	2022 Profit or loss MUR'M	2021 Profit or loss MUR'M
USD	382	(541)
EUR	(6,492)	(2,871)
GBP	227	(298)
ZAR	767	532
Others	(2,073)	(284)

CIEL Limited, the Company, does not have significant exposure to foreign currencies. Therefore, no sensitivity analysis has been performed as the amount will be immaterial.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(ii) Currency risk (Cont'd)

The following table details the Group's; excluding BNI sensitivity to a 5% change in MUR against the relevant currencies.

	THE GROUP	
	2022 Profit or loss MUR'M	2021 Profit or loss MUR'M
MUR/USD exchange rate – increase 5%	16	27
MUR/USD exchange rate – decrease 5%	(16)	(27)
MUR/EUR exchange rate – increase 5%	269	144
MUR/EUR exchange rate – decrease 5%	(269)	(144)
MUR/GBP exchange rate – increase 5%	(9)	15
MUR/GBP exchange rate – decrease 5%	9	(15)
MUR/ZAR exchange rate – increase 5%	(32)	(27)
MUR/ZAR exchange rate – decrease 5%	32	27

The Company does not have significant exposure to foreign currencies. Therefore, no sensitivity analysis has been performed.

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position as financial assets and FVOCI.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Group.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

(iii) Price risk (Cont'd)

Sensitivity analysis

The table below summarises the impact of a change in the fair value of the investments in other financial assets on the Group's equity. The analysis is based on the assumption that the fair value had changed by 5%, with other factors remaining constant.

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR 'M	MUR 'M	MUR 'M	MUR 'M
Financial asset at fair value through OCI	23.3	23.0	1.3	1.3

(e) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company/Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are disclosed in Note 2.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the Group for similar financial instruments.

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value estimation (Cont'd)

Categories of Financial Instruments

	Notes	THE GROUP	
		2022	2021
		MUR '000	MUR '000
Financial assets			
Amortised cost			
Investment in securities	24	6,335,249	6,208,017
Loan to banks	23	-	-
Loans and advances to customers	22	24,281,657	19,868,113
Non-current receivables	17	81,680	49,259
Trade and other receivables*	19	6,949,960	4,474,020
Cash and cash equivalent	20	12,701,634	9,931,175
		50,350,180	40,530,584
FVOCI			
Investments in other financial assets	15	465,083	459,852
		465,083	459,852
FVPL			
Derivative financial instruments	42	236,641	74,380
		236,641	74,380
Financial liabilities			
Amortised costs			
Borrowings	29	20,072,942	19,349,632
Lease liabilities	9(b)	3,464,263	3,265,163
Trade and other payables**	34	10,170,743	5,548,040
		33,707,948	28,162,835

For fair value hierarchy please refer to Note 42.

* Trade and other receivables exclude advance payments of **MUR 556M** (2021: MUR 556M), prepayments amounting to **MUR 247M** (2021: MUR 247M), taxes and grants of **MUR 319M** (2021: MUR 319M) and deposits of **MUR 16M** (2021: MUR 16M).

** Trade and other payables exclude client advances amounting to **MUR 330M** (2021: MUR 330M) and deposits from customers **MUR 159M** (2021: MUR 159M)..

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value estimation (Cont'd)

Categories of Financial Instruments (Cont'd)

	Notes	THE COMPANY	
		2022	2021
		MUR '000	MUR '000
Financial assets			
Amortised cost			
Trade and other receivables*	19	556,786	318,665
Cash and cash equivalent	20	12,325	6,797
		569,111	325,462
FVOCI			
Investments in other financial assets	15	25,806	25,011
Investments in subsidiary companies	12	23,510,805	18,243,634
Investments in Joint Ventures	13	162,466	89,908
Investments in associates	14	185,087	227,040
		23,884,164	18,585,593
Financial liabilities			
Amortised costs			
Borrowings	29	3,069,988	3,203,353
Trade and other payables**	34	18,842	14,313
		3,088,830	3,217,666

*Trade and other receivables exclude prepayments of **MUR 191,000** (2021: MUR 118,000).

Trade and other payables exclude accrued expenses of **MUR 15,423 (2021: MUR 28,154)

45. FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Capital risk management

The Group's objective when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders.

The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets in order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, issue new shares or sell assets.

The assets of the Company are financed through equity and borrowings.

Banking segment

The minimum required capital adequacy ratio in Madagascar is 8%. As at 30 June 2022 and 2021, the capital adequacy ratio of BNI was as follows:

		2022	2021
Capital base	MUR' M	2,766	2,282
Risk weighted	MUR' M	27,866	22,701
Capital adequacy ratio	%	10.00	10.05

Non-banking specific segment

The gearing ratio, excluding banking deposits, lease liabilities and cash and cash equivalents, as at 30 June 2022, is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	MUR' 000	MUR '000	MUR' 000	MUR '000
Total debt	16,080,182	16,711,832	3,069,988	3,203,353
Less Cash and cash equivalents	(2,946,342)	(2,554,780)	(12,325)	(6,798)
	13,133,840	14,157,052	3,057,663	3,196,555
Total equity	26,383,320	22,185,136	21,079,242	15,664,672
	39,517,160	36,342,188	24,136,905	18,861,227
Gearing	33%	39%	13%	17%

46. DISCONTINUED OPERATIONS

Accounting policies

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(a) Segments

(i) Textile Segment

On 26 August 2021, CIEL Textile Limited (CTL) entered a strategic partnership with the SOCOTA group in Madagascar to combine over 90 years of woven fabric expertise. The partnership involves a significant change in the operations of Consolidated Fabric Limited (CFL), whose assets and liabilities have been stated as 'assets classified as held for sale' and 'liabilities directly associated with assets classified as held for sale' respectively. It is also important to note that a regeneration project will be conducted on the existing sites of CFL to ensure that new activities are developed in the region.

(ii) Healthcare Segment

With effect from 13 May 2021, International Air Ambulance Limited, a subsidiary of the International Medical Group Ltd, disposed its insurance book and related medical insurance business.

(b) An analysis of the result of discontinued operations are as follows

		THE GROUP	
		2022	2021
		MUR '000	MUR '000
Revenue		275,898	963,745
Earnings before interest, tax, depreciation and amortisation and impairment		(264,735)	265,639
Depreciation and amortisation		-	(98,526)
Impairment of non-financial assets		-	(392,049)
Net finance costs		-	(62,601)
Loss before income tax		(264,735)	(287,537)
Income tax (charge)/credit		(21,986)	40,156
Loss for the period from discontinued operation		(286,721)	(247,381)
Loss on discontinued operations attributable as follows:			
Owners of the parent		(287,584)	(137,944)
Non-controlling interests		863	(109,437)
		(286,721)	(247,381)
Net cash flows from discontinued operations			
Operating cash flows		(31,495)	(1,080,958)
Investing cash flows		359,416	1,650,646
Financing cash flows		(132,311)	(613,216)
		195,610	(43,528)
Basic and diluted earnings per share			
Loss attributable to owners from discontinued operations	MUR '000	(287,584)	(137,944)
Weighted average number of ordinary shares		1,687,455	1,686,967
Loss per share	MUR '000	(0.17)	(0.08)

47. SUBSEQUENT EVENTS

Alteo Limited

On 25th August 2022, the shareholders of Alteo Limited ratified the decision to separate Alteo Group into two distinct listed groups.

- Miwa Sugar Limited would hold its regional sugar operations in Tanzania and Kenya through its investment in Sucriere Des Mascareignes Limited.
- Alteo Limited would hold its sugar cane growing, property, sugar cane milling and energy operations in Mauritius.

The split is expected to be completed by end of calendar year once all necessary approvals are obtained.

CIEL Finance Ltd

Subsequent to the reporting date, below events occurred:

(i) CIEL Finance Ltd has, on 18th July 2022, entered into a Share Purchase Agreement to dispose its stake in one of its subsidiary. The disposal is subject to the satisfaction of certain conditions precedent, including regulatory approvals.

(ii) CIEL Finance Ltd has, on 2nd August 2022, entered into a Transaction Agreement with Amethis Africa Finance Ltd to buy back its 24.9% minority stake. This transaction is subject to the satisfaction of certain conditions precedent, including regulatory approvals.

APPENDIX A: DIRECTORSHIPS OF SUBSIDIARIES FY 2022

A: Appointed as director during the year
R: Resigned as director during the year
AD: Alternate Director
R*: Resigned on 30.06.2022

	Ajax Sweaters Ltd	Ambre Resort Ltd	Anahita Hotel Ltd	Antsirabe Knitwear SA	Aquarelle Clothing Ltd	Aquarelle India (Private)Ltd	Aquarelle International Ltd	Aquarelle Madagascar SA	Azur Financial Services Ltd	BNI Madagascar SA	Bois des Amourettes Ltd	C Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited)	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	C-Care (International) Ltd (Previously known as "CIEL Healthcare Ltd")	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	CIEL Textile Properties Ltd (Incorporated on 21 October 2021)	Centre de Radiotherapie de l'Ocean Indien	City & Beach Hotels (Mtius) Ltd
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ABDOOLAKHAN Shahana																													
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	C-Lab (International) Ltd (Incorporated on 27 June 2022)	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Star Investment Ltd (Incorporated on 14 February 2022)	Ebene Skies Ltd	EM Insurance Brokers Limited	Evolis Properties Ltd (Incorporated on 18 November 2021)	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited (In process of winding up)	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd	IPRO Funds Ltd
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	IPRO World Equity Fund Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée (In winding up)	Loisirs des Iles Ltd	Long Beach IHS Ltd(In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITCOnsult Ltd	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	Operational Excellence Management and Leadership Ltd	Rising India Focus Fund Limited	Riviere Champagne Ltd	Rockwood Textiles Ltd	Société Bonneterie Malagasy - SOBOMA	Societe Civile Immobilière des Mascareignes	Société Textile d'Andraharo SA - TEXARO	Solea Vacances SA	SRL FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd
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DALAIS Thierry																													
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	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	Tinka International Ltd	TKL International Ltd	TKL Knits (India) Private Limited	Tropic Knits Ltd	Tropic Mad SA	Washright Services Ltd	Wolmar Sun Hotels Ltd	World Leisure Holidays (Pty) Ltd
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ABITBOL Arnaud																													
ABITBOL Laurent																													
ABDOOLAKHAN Shahana																													
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APPENDIX A: DIRECTORSHIPS OF SUBSIDIARIES FY 2022 (CONT'D)

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R: Resigned as director during the year
AD: Alternate Director
R*: Resigned on 30.06.2022

	Ajax Sweaters Ltd	Ambre Resort Ltd	Anahita Hotel Ltd	Antsirabe Knitwear SA	Aquarelle Clothing Ltd	Aquarelle India (Private)Ltd	Aquarelle International Ltd	Aquarelle Madagascar SA	Azur Financial Services Ltd	BNI Madagascar SA	Bois des Amourettes Ltd	C Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited)	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	C-Care (International) Ltd (Previously known as "CIEL Healthcare Ltd")	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited)	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	CIEL Textile Properties Ltd (Incorporated on 21 October 2021)	Centre de Radiotherapie de l'Ocean Indien	City & Beach Hotels (Mtius) Ltd
DE CHASTEAUNEUF Jérôme				□						□	□						□	□		□	□	□	□	□	□		□			
DELAPORTE Antoine																										□			
DEMEY Laurent																			□										
DESVAUX DE MARIGNY Olivier Henri																													
DOOKHAN Muhammad Nishaan Ali															□														
DOREL Anne-Laure																													
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KISSOONDARY Yougendranath													□										□						
KISTOO Ravindranath									□																		□	

	C-Lab (International) Ltd (Incorporated on 27 June 2022)	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Star Investment Ltd (Incorporated on 14 February 2022)	Ebene Skies Ltd	EM Insurance Brokers Limited	Evolis Properties Ltd (Incorporated on 18 November 2021)	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited (In process of winding up)	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd	IPRO Funds Ltd
DE CHASTEAUNEUF Jérôme					□	□			□														□					□	
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KISTOO Ravindranath	□																					□		□	□	□	□		

	IPRO World Equity Fund Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée (In winding up)	Loisirs des Iles Ltd	Long Beach IHS Ltd(In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITCOnsult Ltd	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	Operational Excellence Management and Leadership Ltd	Rising India Focus Fund Limited	Riviere Champagne Ltd	Rockwood Textiles Ltd	Société Bonneterie Malagasy - SOBOMA	Societe Civile Immobilière des Mascareignes	Société Textile d'Andraharo SA - TEXARO	Solea Vacances SA	SRL FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd
DE CHASTEAUNEUF Jérôme															□														
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DESVAUX DE MARIGNY Olivier Henri																													
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KHUSHIRAM Khushhal Chand																													
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KISTOO Ravindranath																													

	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	Tinka International Ltd	TKL International Ltd	TKL Knits (India) Private Limited	Tropic Knits Ltd	Tropic Mad SA	Washright Services Ltd	Wolmar Sun Hotels Ltd	World Leisure Holdings (Pty) Ltd
DE CHASTEAUNEUF Jérôme				□							□																	
DELAPORTE Antoine																													
DEMEY Laurent																													
DESVAUX DE MARIGNY Olivier Henri																													
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KHUSHIRAM Khushhal Chand																													
KISSOONDARY Yougendranath																													
KISTOO Ravindranath																													

APPENDIX A: DIRECTORSHIPS OF SUBSIDIARIES FY 2022 (CONT'D)

A: Appointed as director during the year
R: Resigned as director during the year
AD: Alternate Director
R*: Resigned on 30.06.2022

Name	Ajax Sweaters Ltd	Ambre Resort Ltd	Anahita Hotel Ltd	Antsirabe Knitwear SA	Aquarelle Clothing Ltd	Aquarelle India (Private)Ltd	Aquarelle International Ltd	Aquarelle Madagascar SA	Azur Financial Services Ltd	BNI Madagascar SA	Bois des Amourettes Ltd	C Healthcare (EA) Ltd	C-Care (Mauritius) Ltd	C-Care North Ltd	CDL Knits Ltd	CIEL Agro Limited (formerly known as CIEL Agro & Properties Limited	CIEL Corporate Services Ltd	CIEL Finance Data Services Limited	Ciel Finance Limited	CIEL Healthcare Africa Limited	C-Care (International) Ltd (Previously known as "CIEL Healthcare Ltd")	CIEL Hotels & Resorts Ltd	CIEL Properties Development Ltd (formerly known as CIEL Properties Limited	CIEL Properties Limited	Cieltex SA Pty Ltd	CIELTextile Ltd	CIEL Textile Properties Ltd (Incorporated on 21 October 2021)	Centre de Radiotherapie de l'Ocean Indien	City & Beach Hotels (Mtius) Ltd
KOA WING Jane																													
KOCH Philippe																													
LAM YAN FOON Patrick																													
LAGESSE Thierry																													
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LEROY Sophie																			□										
MAKOOND Deonanan (Raj)													□																
MAUNICK Normela																													
MAYER Harold																										□			
MCILRAITH Catherine																			□										
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MOREAU Denis																		□											
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NOWJEE Nitish Rao																					AD								
ONY Sandrine Duglat Claire																													
OOSMAN Mushtaq																													
PASCAL Sylvain													□																
PATEL Maneesh					□		□																						
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PERRIER Charles	□			□																									
RABESISOA Haingo Fanapera										□																			
RAJAONARIVELO Herintsalama										□																			
RANDRIANIRINA Hanitra Olivia										□																			

Name	C-Lab (International) Ltd (Incorporated on 27 June 2022)	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Star Investment Ltd (Incorporated on 14 February 2022)	Ebene Skies Ltd	EM Insurance Brokers Limited	Evolis Properties Ltd (Incorporated on 18 November 2021)	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited (In process of winding up)	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd	IPRO Funds Ltd
KOA WING Jane																													
KOCH Philippe																													□
LAM YAN FOON Patrick				□																									
LAGESSE Thierry									□																				
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MAKOOND Deonanan (Raj)																													
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RABESISOA Haingo Fanapera																													
RAJAONARIVELO Herintsalama																													
RANDRIANIRINA Hanitra Olivia																													

Name	IPRO World Equity Fund Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée (In winding up)	Loisirs des Iles Ltd	Long Beach IHS Ltd(In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITConsult Ltd	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	Operational Excellence Management and Leadership Ltd	Rising India Focus Fund Limited	Riviere Champagne Ltd	Rockwood Textiles Ltd	Société Bonneterie Malagasy - SOBOMA	Societe Civile Immobilière des Mascareignes	Société Textile d'Andraharo SA - TEXARO	Solea Vacances SA	SRL FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd
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KOCH Philippe	□																												
LAM YAN FOON Patrick																													
LAGESSE Thierry																													
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RABESISOA Haingo Fanapera																													
RAJAONARIVELO Herintsalama																													
RANDRIANIRINA Hanitra Olivia																													

Name	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	Tinka International Ltd	TKL International Ltd	TKL Knits (India) Private Limited	Tropic Knits Ltd	Tropic Mad SA	Washright Services Ltd	Wolmar Sun Hotels Ltd	World Leisure Holidays (Pty) Ltd
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APPENDIX A: DIRECTORSHIPS OF SUBSIDIARIES FY 2022 (CONT'D)

A: Appointed as director during the year
R: Resigned as director during the year
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R*: Resigned on 30.06.2022

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RAMLAGUN Neelmanee																													
RAVELOARIVONY Vonifanja				□				□																					
RAZE Mathieu																													
REY Alain																										□			
REYES Carol																													
RICHÉ Olivier																													
RIVALLAND Bertrand	□			□	□		□	□	□																□		□		
RIVET Jean-Marc											□																		
ROSTAND Tom																					AD								
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TEEROOVENGADUM Kevindra																								□					
TERRIEN Denis																										□			
THEVENAU Bertrand															R*											□			
THOMAS Michel													□																
VAQUIER Pierre																													
VEERASAMY Naderasen																													
VIDAL Jérôme													R																
VIJ Ashwini	□																												
VISWESWARAN Ramesh																													
VIVES Marc-Emmanuel										R																			
WALTER Pascal					□																								
WONG YUN SHING Tommy		□	□						□																				□
YEE SAK CHAN Jane															□														

	C-Lab (International) Ltd (Incorporated on 27 June 2022)	Consolidated Fabrics Ltd	CTL Retail Ltd	Ebene Star Investment Ltd (Incorporated on 14 February 2022)	Ebene Skies Ltd	EM Insurance Brokers Limited	Evolis Properties Ltd (Incorporated on 18 November 2021)	Falaise Rouge Estate Ltd	Ferney Ltd	Ferney Agri Hub Ltd	Ferney Bubbles Ltd	Ferney Development Ltd	Ferney Spinning Mills Ltd	Ferney Trail Limited	Floreal International Ltd	Floreal Madagascar SA	Floreal Property Limited	Floreal Trading Limited (In process of winding up)	Greensun Management Ltd	Halifax International Ltd	Healthcare East Africa Limited	IMG Pharmaceuticals Limited	Indian Ocean Financial Holdings Ltd	International Air Ambulance Limited	International Hospital Kampala Limited	International Medical Centres Limited	International Medical Group Limited	Investment Professionals Ltd	IPRO Funds Ltd
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WONG YUN SHING Tommy			□																□										
YEE SAK CHAN Jane																													

	IPRO World Equity Fund Ltd	La Vallee de Ferney Co Ltd	Laguna Clothing (Mauritius) Ltd	Laguna Clothing LLP	Laguna Madagascar SA	Le Café du Volcan Ltée (In winding up)	Loisirs des Iles Ltd	Long Beach IHS Ltd(In the process of being wound up)	Long Beach Resort Ltd	Mauritius International Trust Company Ltd	MITCO Business Solutions Ltd	MITCO Corporate Services Ltd	MITConsult Ltd	MITCO Fiduciary DMCC	MITCO Group Ltd	MITCO International Holdings Ltd	MITCO Limited	MITCO Services Ltd	Operational Excellence Management and Leadership Ltd	Rising India Focus Fund Limited	Riviere Champagne Ltd	Rockwood Textiles Ltd	Société Bonneterie Malagasy - SOBOMA	Societe Civile Immobilière des Mascareignes	Société Textile d'Andraharo SA - TEXARO	Solea Vacances SA	SRL FS, Ltd	SRL Kanuhura Ltd	SRL Maldives Ltd
RANOROMARO Hasinirina																													
RAMLAGUN Neelmanee																													
RAVELOARIVONY Vonifanja					□																		□	□	□				
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RICHÉ Olivier																													
RIVALLAND Bertrand					□																		□		□				
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VIJ Ashwini																													
VISWESWARAN Ramesh				□																									
VIVES Marc-Emmanuel	□																												
WALTER Pascal																													
WONG YUN SHING Tommy							□	□	□																	□	□	□	□
YEE SAK CHAN Jane																							□						

	SRL Management Ltd	SRL Marketing Ltd	SRL Property Ltd	SRL Touessrok Hotel Ltd	SRL Touessrok Residences & Villas Ltd	Sun Hotel & Resorts GMBH	Sun Hotel Holdings Ltd	Sun International Management Ltd	Sun Leisure Hotels Ltd	Sun Leisure Investments Ltd	Sun Limited	Sun Logistics Ltd	Sun Resorts CSR Fund Ltd (in process of being wound up)	Sun Resorts France Sarl	Sun Resorts Hotel Management Ltd	Sun Resorts International Ltd	Sun Styled Boutiques Ltd	Sun Support Ltd	Sun Training Institute Ltd	Supply Chain Experts Ltd	TBLIMG Ltd	Tinka International Ltd	TKL International Ltd	TKL Knits (India) Private Limited	Tropic Knits Ltd	Tropic Mad SA	Washright Services Ltd	Wolmar Sun Hotels Ltd	World Leisure Holdings (Pty) Ltd
RANOROMARO Hasinirina																													
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WONG YUN SHING Tommy	□	□	□		□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□							□	□	□
YEE SAK CHAN Jane																						□	□	□	□				