

**AGRIA LIMITED
AND ITS SUBSIDIARIES**

CONSOLIDATED ANNUAL FINANCIAL REPORT – YEAR ENDED

JUNE 30, 2023

AGRIA LIMITED
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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DIRECTORS' REPORT – JUNE 30, 2023

The Directors have the pleasure in submitting their report together with the financial statements for the year ended June 30, 2023.

Overview

The Company is now entering a new era, and Agría's operating model will transition to become a sustainable grower, farmer and property developer, built over three pillars: smart agriculture, smart farming and a sustainable smart village.

The underlying principle of smart agriculture is to transform our own agriculture and to train local farmers to grow fruits and vegetables responsibly by promoting zero-kilometre farm-to-fork food to supply the local population, hotels, and restaurants of Bel Ombre.

Smart farming activities will be based on the local production of deer meat to initiate a substitution process from imported meat to locally produced and healthier meat.

These activities will positively contribute to the promotion of food security in Mauritius and the inclusion of the local community in the region's development.

The 'Sustainable Smart Village' is a responsible master-planned project that intends to promote the regeneration and conservation of the Bel Ombre area by developing responsible agri-tourism and property.

The process is end-to-end integrated, from training to market opportunities for local growers whilst positioning Mauritius, particularly the Bel Ombre Region as a sustainable tourist destination.

Financial Performance

The Group recorded a profit after tax of Rs 70.4m compared to a loss after tax of Rs 15.0m in the previous year.

Our Agribusiness revenues saw increases of Rs 17m due to the gradual recovery of the travel and tourism industry driven by increased sale of deer meat and palms to the hotels and leisure industry. However increases in operational costs due to a high inflation environment and a one-off write off of deferred expenditure have impacted on our results.

With the non-materialisation of a sale of land during the financial year, the Company showed a profit after tax of MUR 45.9m compared to a loss after tax of MUR 71.8m for FY 22.

Sugar and landscaping operations were negatively impacted by operational costs increases due to external factors (fertilisers and transport). In contrast, smart farming operations managed to mitigate losses with measures to shorten sales circuits and promote value-added transformed products.

Les Villas De Bel Ombre's performance remained satisfactory with increased sales of the number of units although sales value was lower due to the more significant proportion of land sales compared to villas sales.

Outlook & Prospect

The management is actively working to transform Agría into a profitable company with reshuffled teams and operations, integrated and harmonious property development that will enhance the value of land, our main asset, whilst regenerating and consolidating its ecological value.

A progressive restoration of Agría's profitability will go through:

- The phasing out of non-strategic loss-making operations.
- A debt reduction exercise through the sale of specific land assets
- The launching of a 15-years property development programme around the La Reserve Golf Links under a sustainable smart living scheme.

DIRECTORS' REPORT – JUNE 30, 2023 (CONT'D)

Outlook & Prospect (cont'd)

Agria's objective is to transform Bel Ombre into a world class leader in sustainable living and agri-tourism destination. The ambition is to position Bel Ombre as a great place to live, work, play, learn and visit; a land where nature and people thrive. The 2,080 Ha of unspoiled nature in the South West of Mauritius held by Agria intends to become the reference in Sustainable Tropical "Art de vivre".

On the property development side, 2023 will see the completion of the infrastructure works for the Second Golf Course Road thus unlocking potential value of the adjacent land.

Our Real Estate operations will be focused on fostering new marketing ventures, while continuing to revisit their operational model to reduce costs. The focus will be geared towards creating a portfolio of Real Estate products. The implementation of cost-cutting measures alongside a new sales approach should also result in the further decrease in administrative, marketing and finance costs in the coming financial year.

STATUTORY DISCLOSURES - JUNE 30, 2023

DIRECTORS

The directors of the Company since July 1, 2022 and at the date of this report are:

Mr. Hector Espitalier Noël	Non-Executive Director
Mr. Eric Espitalier Noël (also alternate to Mr Hector Espitalier Noël)	Non-Executive Director
Mr. Philippe Espitalier Noël	Non-Executive Director
Mr. Gustave Jean Pierre Lenoir	Independent Non- Executive Director
Mr. Christopher Hart de Keating	Independent Non- Executive Director
Mr. Jerome Guy Antoine Harel	Independent Non- Executive Director
Mr. Thierry Montocchio	Non-Executive Director
Mrs. Aruna Radhakeesoon (Resigned on 30/08/2022)	Non-Executive Director
Mrs. Pauline Seeyave (appointed on 31/08/2022)	Non-Executive Director
Mr. Thierry Sauzier	Executive Director

The names of directors of the subsidiary companies holding office since July 1, 2022 are:

Les Villas de Bel Ombre Ltée

Mr. Philippe Espitalier Noël	Non-Executive Director
Mr. Eric Espitalier Noël (also alternate to Mr. Philippe Espitalier Noël)	Non-Executive Director
Mr. Philippe Christopher Hart de Keating	Independent Non- Executive Director
Mr. Thierry Montocchio	Non-Executive Director
Mr. Sebastien De Robillard	Non-Executive Director
Mr. Anton De Waal	Executive Director
Mr. Johan Pilot	Non-Executive Director
Mr. Thierry Raymond Sauzier	Non-Executive Director

Les Villas de Bel Ombre Amenities Ltd Ltée

Mr. Hector Espitalier Noël	Non-Executive Director
Mr. Philippe Espitalier Noël	Non-Executive Director
Mr. Eric Espitalier Noël (also alternate to Mr. Philippe Espitalier Noël)	Non-Executive Director
Mr. Philippe Christopher Hart de Keating	Independent Non- Executive Director
Mr. Thierry Raymond Sauzier	Non-Executive Director

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual meeting have unexpired service contracts.

DIRECTORS' REMUNERATION

Total remuneration and benefits received from the Company and its subsidiaries were as follows:

	COMPANY		SUBSIDIARIES	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Non-executive				
Full-time	-	-	-	-
Part-time				
- Hector Espitalier Noel	67.5	67.5	-	-
- Eric Espitalier Noel	45.0	50.6	-	-
- Jean Pierre Lenoir	45.0	56.3	-	-
- Christopher Hart de Keating	33.8	56.3	-	-
- Jerome Guy Antoine Harel	39.4	50.6	-	-
- Pauline Sybille Cheh Seeyave	35.6	-	-	-
	<u>266.3</u>	<u>281.3</u>	<u>-</u>	<u>-</u>

Les Villas de Bel Ombre Ltée

No emoluments were paid to the directors.

Les Villas de Bel Ombre Amenities Ltd Ltée

No emoluments were paid to the directors.

STATUTORY DISCLOSURES - JUNE 30, 2023

DONATIONS

The Company and its subsidiaries have not made any donations during the year ended June 30, 2023 (2022: Rs. Nil).

AUDITORS

The fees payable to the auditors, for audit and other services were:

	2023		2022	
	Audit Rs'000	Other Rs'000	Audit Rs'000	Other Rs'000
Agria Limited	915	-	715	-
Les Villas de Bel Ombre Ltée	722	-	750	-
Jacotet Bay Limited	259	-	221	-
Les Villas de Bel Ombre Amenities Ltd	49	16	100	16
	<u>1,946</u>	<u>16</u>	<u>1,786</u>	<u>-</u>

19 APR 2023

Approved by the Board of Directors on.....and signed on its behalf by:


 Director


 Director

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT OF COMPLIANCE

Section 75(3) of the Financial Reporting Act

Name of PIE: AGRIA LIMITED

Reporting Period: 1st July 2022 – 30th June 2023

Throughout the year ended 30 June 2023, to the best of the Board's knowledge, AGRIA Limited (the "Company") has complied with the National Code of Corporate Governance for Mauritius (2016) (the "Code"). The Company has applied the eight principles set out in the Code and explained how these principles have been applied.

SIGNED BY:

Names: 

CHAIRPERSON



DIRECTOR

19 APR 2024

Date:

19 APR 2024

Date:

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

AGRIA LIMITED, formerly known as Compagnie Sucrière de Bel Ombre Limited (the “Company” or “AGRIA”) is qualified as a Public Interest Entity pursuant to the Financial Reporting Act 2004 and is therefore required to apply the eight principles set out in the National Code of Corporate Governance for Mauritius (2016) (the “Code”).

1. PRINCIPLE 1 - GOVERNANCE STRUCTURE

The Board assumes responsibility for leading and controlling the Company and is collectively responsible for its long-term success, reputation and governance while meeting all legal and regulatory requirements. The Board has applied this principle by:

- a. Approving an organisational chart and a statement of accountabilities which will be uploaded on the website of the Company (<https://agria.mu/>);
- b. Adopting the Code of Ethics of Rogers and Company Limited (“Rogers”), the Company being indirectly a subsidiary of Rogers. The Rogers’ Code of Ethics will be available on <https://rogers.mu/content/policies>; and
- c. Identifying the key senior governance positions within the Company, namely:
 - a. The Chief Executive Officer;
 - b. Chief Finance Officer and MLRO;
 - c. Head of Agriculture;
 - d. Business Manager-Smart Farming, Hunting & Garage;
 - e. Project Manager and DMLRO;
 - f. Manager- Land and Property;
 - g. Property Operations Executive;
 - h. Compliance Officer;
 - i. Data Protection Officer; and
 - j. People Operations Manager.

Their position statements will be available on the website of the Company at <https://agria.mu/>.

The Board has further resolved that the Company would not adopt a board charter for the financial year ended 30 June 2023 as the contents of a board charter are already covered in the Company’s Articles of Association and the prevailing legislation, rules and regulations.

2. PRINCIPLE 2 - THE STRUCTURE OF THE BOARD

As at 30 June 2023, the Company was headed by a unitary board which comprises nine directors. All directors of the Company reside in Mauritius. The size of the Board is determined by the provisions of the Articles of Association of the Company, that is, a minimum of 2 and a maximum of 9 directors. A copy of the Articles of Association is available on the Company’s website at <https://agria.mu/>.

The Company has ensured that the Board includes an appropriate combination of executive, non-executive and independent directors. The Board is of the view that the size and level of diversity is commensurate with the sophistication and scale of the Company. The definitions of executive, non-executive and independent are in line with those provided by the Code.

2. PRINCIPLE 2 - THE STRUCTURE OF THE BOARD (CONT'D)

Mrs. Aruna Radhakeesoon resigned as director of the Company on 30 August 2022. On 31 August 2022, upon the recommendation of the Nomination Committee of Rogers, which oversees the governance matters of the Company, Ms. Pauline Sybille Cheh Seeyave was appointed as director of the Company by the directors of the Company to fill casual vacancy following resignation of Mrs. Aruna Radhakeesoon.

The profiles of the directors will be made available on the website of the Company at <https://agria.mu/>. Moreover, the list of directorships of each director will be made available upon request from the Company Secretary.

The categories and respective balance of skills are set out in Table 1.

AGRIA LIMITED AND ITS SUBSIDIARIES

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

	NAME OF DIRECTORS									
	Hector Espitalier-Noël	Eric Espitalier-Noël	Philippe Espitalier-Noël	Christopher Hart de Keating	Jerome Harel	Thierry Montocchio	Aruna Radhakrishnan	Thierry Sauzier	Jean Pierre Lenoir	Pauline SEEVAVE
Appointment Date	19/03/1997	01/11/2000	24/04/2005	09/02/2018	28/02/2019	28/08/2019	10/06/2021 up to 30/08/2022	24/11/2021	05/05/2013	31/08/2022
Category	NED	NED	NED	NED	NED	NED	NED	ED	NED	NED
Skills										
Board Matters	X	X	X		X	X	X	X	X	
Accounting	X					X				
Business	X	X	X	X	X	X	X	X	X	
Governance	X	X	X				X	X		
Legal	X						X			
Financial	X	X	X			X		X		
Financial Reporting						X				
HR	X	X	X				X			
Communication	X	X	X	X			X	X	X	
Entrepreneurial	X	X	X	X	X	X	X	X	X	
Risk and Audit	X	X	X	X		X	X			
Strategic Dimension	X	X	X	X	X	X	X	X	X	
Knowledge of FinTech Business			X				X			
Knowledge of Hospitality Business	X	X	X			X	X			
Knowledge of Logistics Business		X	X				X			
Knowledge of the Property Business	X	X	X				X			
International Exposure	X	X	X			X		X		

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

PROFILE OF DIRECTORS

ESPITALIER-NOËL Marie
André Eric
 (64 Years)
Non-Executive Director

APPOINTED
 01 November 2000

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • Bachelor's degree in Social Sciences (University of Natal, South Africa)
 • Master of Business Administration (University of Surrey, UK)
 •

ESPITALIER-NOËL Marie
Maxime Hector
 (65 Years)
Non-Executive Director and Chairman

APPOINTED
 19 March 1997

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • Member of the Institute of Chartered Accountants in England and Wales
 • Leadership Course – INSEAD Business School

ESPITALIER-NOËL Marie
Hector Philippe
 (58 Years)
Non-Executive Director

APPOINTED
 24 April 2005

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • BSc in Agricultural Economics (University of Natal, South Africa)
 • Master of Business Administration (London Business School)

HAREL Jerome Guy Antoine
 (65 Years)
Independent Non-Executive Director

APPOINTED
 28 February 2019

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • University of Surrey – MBA Administration
 • University of Natal – Bachelors in Agricultural Management

HART DE KEATING Edouard
Philippe Christopher
 (52 Years)
Independent Non-Executive Director

APPOINTED
 09 February 2018

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • Université of Paris Dauphine - 'Maîtrise Audit et Contrôle de Gestion'
 • Diploma in Strategy from HEC Paris

LENOIR Gustave E. Jean
Pierre (78 Years)
Independent Non-Executive Director

APPOINTED
 06 May 2013

NATIONALITY
 Mauritian

RESIDENCY
 Mauritius

QUALIFICATIONS
 • l'Ecole Supérieure de Journalisme of Lille(France)

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

**MONTOCCHIO Francois
Thierry**
(50 Years)
Non-Executive Director

APPOINTED
28 August 2019

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- Bachelor of Commerce – University of Cape Town
- Post Graduate Diploma in Accounting - University of Cape Town (1997)
- Member of the South African Institute of Chartered Accountants (since 2001)
- Member of the Mauritius Institute of Professional Accountants

SAUZIER Thierry Raymond
(55 Years)
Executive Director

APPOINTED
23 November 2021

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- Paris Dauphine University - Maîtrise d'Économie Appliquée
- Licensed stockbroker with the Stock Exchange of Mauritius

**SEELYAVE Pauline Sybille
Cheh** (49 Years)
Independent Non-Executive Director

APPOINTED
31 August 2022

NATIONALITY
Mauritian

RESIDENCY
Mauritius

QUALIFICATIONS

- Master of Arts – St Catherine's College, University of Cambridge
- Associate of the Institute of Chartered Accountants in England and Wales

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

2. PRINCIPLE 2 - THE STRUCTURE OF THE BOARD (CONT'D)

The Chairman of the Board is Mr. Hector Espitalier-Noël who does not have any executive responsibilities. Mr. Thierry Sauzier appointed on 24 November 2021, is the Chief Executive Officer, has executive responsibilities and oversees the day-to-day management of the Company. The function and role of the Chairman and Chief Executive Officer are separate and are available on the website of the Company at <https://agria.mu/>.

The attendance of the directors of the board meetings held during the period 1st July 2022 to 30th June 2023 is shown in Table 2 below.

Directors	BM 29.08.22	BM 13.10.22	BM 28.03.23	BM 06.06.23
Mr. ESPITALIER-NOËL Hector	/	/	/	/
Mr. ESPITALIER-NOËL Eric	/	/	/	/
Mr. ESPITALIER-NOËL Philippe	/	/	/	/
Mr. HAREL Jerome	/	/	/	X
Mr. HART DE KEATING Christopher	/	x	x	/
Mr. LENOIR Jean Pierre	/	/	/	/
Mr. MONTOCCHIO Thierry	/	/	/	/
Mr. SAUZIER Thierry	/	/	/	/
Mrs. RADHAKEESON Aruna (resigned on 30.08.22)	/	/	/	/
Mr. SEEYAVE Pauline (appointed on 31.08.22)	N/A	/	/	/

BM: Board Meeting

/: present

X: absent and excused

The Company has not constituted a risk and audit committee nor a governance committee as risk, audit and governance matters are overseen at the level of the Board of the Company as well as at the level of the board committees of Rogers.

The Company Secretary of the Company is Ms. Sharon Ah Lin. Her profile will be made available on the website.

3. PRINCIPLE 3 - DIRECTOR APPOINTMENT PROCEDURES

The Board assumes the responsibilities for succession planning and for the appointment and induction of new directors to the Board.

The Corporate Governance Committee of Rogers, acting in its capacity as Nomination Committee, recommends the appointment of directors for approval by the Board or shareholders where applicable. Details of the nomination and appointment process are available on the website of the Company (<https://agria.mu/>).

3. PRINCIPLE 3 - DIRECTOR APPOINTMENT PROCEDURES (CONT'D)

The terms and conditions of the appointment of the Non-Executive directors are available on the website of the Company (<https://agria.mu/>.)

All directors stand for re-election at the Annual Meeting of Shareholders of the Company.

All new directors, upon joining the Board, attended and participated in an induction and orientation process. They have also received a comprehensive induction pack from the Company Secretaries.

Directors are further encouraged to attend courses to refresh their knowledge and to keep abreast of latest developments relating to their duties, responsibilities, powers and potential liabilities.

4. PRINCIPLE 4 - DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE**Legal duties**

All directors are familiar with their legal duties. They are required to exercise that degree of care, skill and diligence which a reasonably prudent and competent director in his or her position would exercise. A director may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties. The Board will regularly monitor and evaluate compliance with the Rogers' Code of Ethics.

Conflict of interest

Upon being elected to the Board, directors are requested to declare their interest in the Company. Such interest is recorded in an interest register which can be consulted on the website of the Company.

Where any director is conflicted by virtue of a particular transaction, the director declares his/her interests and does not take part in decision-making. The Company Secretaries maintains a conflict of interest register and updates the register as and when required. The interest register is available for consultation to shareholders upon request to the Company Secretaries.

Given that the Company is a not listed on any stock exchange, the directors of the Company cannot deal directly in the shares of the Company.

Related party transactions

Related party transactions are adequately addressed through proper monitoring, approval and disclosure. During the year under review, there was no related party transaction.

Information, information technology and information security policy

The Company is a registered controller with the Data Protection Office. In keeping with Data Protection Act 2017, the Company has endeavoured to reinforce the safety and security measures in place to protect personal data it collects, stores and processes. It has thus adopted the following documents, which are available on the website of the Company:

- A Data Protection Policy, which summarises the principles which will be applied by the Company when processing data;

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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

- A Data Protection Notice, which explains in detail to data subjects the purpose for and manner in which the Company processes data, as well as the rights of data subjects relating to the data processed; and
- An Information, Security and Technology Policy which sets out the IT safeguards which have been put in place to ensure security of data.

The Company has also adopted a Data Protection Compliance Manual, which describes the comprehensive approach of the Company to personal data protection. Regular audits will be carried out to ensure compliance with the said Manual.

Based on its operations, the Company evaluates the need for IT hardware and software to enable a secure, cost effective and efficient management processes. These expenditures are evaluated on a case-to-case basis with specific relation to the operation for which the expenditure is considered.

Board evaluation

No board evaluation and the independent director evaluation were carried out for the financial year end under review. It is earmarked that such exercise will be carried out in the next financial year to allow new directors understand the board dynamics of the Company. Furthermore, the individual director evaluation is yet to be finalised as appropriate timing and suitable technique to conduct same, remains to be agreed.

Directors' remuneration

All Non-Executive directors are entitled to a director fee, consisting of a fixed yearly fee and an attendance fee. The Chairman of the Board is paid a higher monthly fee. The Corporate Governance Committee of Rogers, acting in its capacity as remuneration committee, reviews the remuneration of directors regularly. The remuneration of the directors for the financial year under review is set out in Table 3 below.

Table 3: Remuneration of directors for the financial year 2022/2023

Name of Directors	Attendance to BMs	Remuneration for the year ended 30 June 2023
Mr. ESPITALIER-NOËL Hector	4 on 4	67,500
Mr. ESPITALIER-NOËL Eric	4 on 4	45,000
Mr. ESPITALIER-NOËL Philippe	4 on 4	0
Mr. HAREL Jerome	5 on 6	39,375
Mr. HART DE KEATING Christopher	6 on 6	33,750
Mr. LENOIR Jean Pierre	6 on 6	45,000
Mr. MONTOCCHIO Thierry	6 on 6	0
Mr. SAUZIER Thierry Raymond	4 on 4	0
Mrs. RADHAKESOON Aruna (resigned on 30.08.2022)	5 on 6	Nil
Mrs. SEEYAVE Pauline (appointed on 31.08.22)	3 on 4	35,625

The Company has not put in place any long-term incentive plan, share options or bonuses schemes associated with the organisational performance.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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

A directors' and officers' liability insurance policy has been subscribed to and renewed by Rogers. The policy provides cover for the risks arising out of the acts or omissions of the Directors and Officers of Rogers Group. The cover does not provide insurance against fraudulent, malicious or wilful acts or omissions.

5. PRINCIPLE 5 - RISK GOVERNANCE AND INTERNAL CONTROL

The board of directors is responsible for the governance of risks of Agria Limited (The holding company and its investments) and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board is committed to continuously maintain adequate control procedures with a view to safeguarding the assets and reputation of the Company. Areas with high residual risks are continuously assessed and reviewed with the assistance of the internal audit department.

Management is accountable to the Board for the design, implementation and enforcement of internal controls, ensuring that the associated processes and systems are operating satisfactorily. The Board derives assurance that the internal control systems are effective through the three lines model: (i) People, Process and Technology, (ii) Management and Oversight and (iii) Internal Audit. Statutory auditors provide external assurance on an annual basis.

The Risk Management and Audit Committee ('RMAC') of the parent company (Rogers and Company Ltd- 'Rogers') and the Board of Agria monitor the effectiveness of risk management and internal control systems. The RMAC and the Board perform an oversight role to ensure that risks are managed effectively. Significant issues including financial risks, critical policies, judgements and estimates are reviewed and discussed with the external auditors. The appropriate financial reporting procedures are in place and are operating.

The monitoring of the effectiveness of risk management and internal control systems includes:

- A clear system of delegated authorities from the Board to management with certain important matters remaining with the Board;
- Regular review of results against budgets with executive directors and management, including areas of business risk;
- Review of the strategic plans to identify risks to the achievement of objectives and, where appropriate any relevant mitigating actions; and
- Legal and compliance risks which are addressed through specific policies and training including ethics and data protection laws.

All significant areas of risk were covered and there were no major risks or deficiencies in Agria's system of internal controls.

Risk Management Process

The risk management process which is clearly defined, well established and embedded in our day-to-day activities.

The existing group malpractice reporting policy sets out the process whereby information relating to questionable practices within the group is disclosed in good faith by employees.

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

Employees are encouraged to raise such questionable practices to their direct reporting manager or to the Group Chief Human Resources Executive at Rogers. The latter will report to the Group CEO who will approve any required investigations.

Identification, analysis and evaluation of risks

Risks are identified, analysed and evaluated in light of the probability of occurrence and their likely impact as follows:

- Through regular management meetings whereby emerging/new and other operational and compliance risks are identified as well as activities and processes that gave rise to the risks;
- During audits carried out by internal and external auditors or appointed specialist consultants;
- Financial and Strategic risks are identified at time of preparation of the annual budget and strategic plan; and
- Self-assessment exercise performed by management.

Treatment, monitoring and reporting

- Management devised appropriate mitigating strategies in light of the business model and set risk appetite. Options available are discussed, evaluated and consequently, the Business Risk Register is updated and reviewed. Implementation of remedial actions is performed and monitored.
- Legal and regulatory compliance risks which are addressed through specific policies and training.
- Regular reporting, monitoring and review of the effectiveness of health and safety.
- Principal risks are reported by management to the CEO of Agria, to the RMAC and to the Board of directors.

There were no material shortcomings in the design and effectiveness of internal controls, governance and risk management reported during the year. Significant areas of risks were covered by internal controls and there were no major risks or deficiencies in the system of internal controls.

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

Principal Risks

The principal risks and their corresponding mitigating actions identified were as follows:

Risks	Descriptions and context	Strategic responses and mitigating actions
Strategic Economic Uncertainty	Agribusiness and property development has suffered from several factors, such as high inflation, competition and global economic recession.	- Turnaround of loss-making operations is underway. - Strategic focus on specific crops with 'farm-to-fork' concept and review of product costing and pricing. - Leverage on brands in the Bel Ombre region for sale of villas and land. - Launching of a property development programme.
Market conditions	Decrease in sales of villas due to: - Market uncertainty and lack of visibility. - Increased indirect local competition with more offerings from new entrants.	- Enhanced digital presence. - Road shows and events planned. - Nurture the strong existing partnerships with regional and other partners and seek new partners to speed up sales. - Reinforce the market analysis process. - Benchmarking with other promoters.
Financial risks		
Interest	Rise in interest rates coupled with high level of debts impacting the results.	- The average effective cost and level of debt is tightly monitored. - Debt optimization exercise through sale of specific land assets.
Liquidity	Inability to meet financial obligations.	- Strict debtors' management including restrictions on credit facilities. - The average effective cost of debt is tightly monitored.
Operational risks		
Climate Change	Severe weather conditions such as droughts, soil erosion, global warming, torrential rains, flash floods and severe cyclonic conditions impacting yield of agricultural crops.	- Business continuity plan and Insurance covers are being reviewed. - Greener practices included in strategy.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

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

Principal Risks (Cont'd)

Risks	Descriptions and context	Strategic responses and mitigating actions
Talent challenges	Talent retention and attraction are increasingly complex as the talent pool shrinks, a consequence of ageing population and talents leaving for abroad.	Key positions have been filled at senior management level and restructuring is underway.
Customer dissatisfaction	Customers may be dissatisfied as a result of delays in delivery of villas, resolving snagging issues or other promises.	- Customer experience formally monitored with a Customer Relationship Management System. - Revision of cost classification to distinguish snagging costs as compared to repairs effected for commercial/ customer relation reasons. - Inhouse Site Engineer in operations department to focus on snagging/ repairs of delivered villas.
Compliance risks		
Legal and regulatory compliance	- Changes to laws and regulations not communicated and training not provided. - Failure to comply with internal policies and operating procedures manual. - Inadequate compliance and risk culture.	- Compliance with Remuneration Orders for Livestock and Sugar Industry and all relevant regulations. - Communication of new laws and regulations.

6. PRINCIPLE 6 - REPORTING WITH INTEGRITY

The Board is responsible for the preparation of accounts that fairly present the state of affairs of the organisation. The accounts adhere to IFRS, IAS and the Companies Act.

Having taken all the matters considered and brought to its attention during the year under review, the Board is satisfied that the annual report and accounts taken as a whole are fair, balanced and understandable.

The full annual report will be uploaded on the website of the Company.

7. PRINCIPLE 7 - AUDIT**Internal Audit**

Internal audit function which is outsourced to the Rogers, reports directly to the RMAC and ensures adherence of processes and controls to the Rogers Guidelines & Policies Manual. One of the responsibilities of the internal audit function is to confirm to the group RMAC the effective operation of our internal control system. For this purpose, the Head of Internal Audit makes quarterly presentations to the RMAC and meets with the Chairman of the Committee without the presence of management. Financial literacy and expertise of the members of the Audit Committee are disclosed on the Rogers website: <https://rogers.mu/about-rogers/our-team>

The internal audit team also reports to the Board of Directors of Agria following audits carried out. Risk based audits carried out during the financial year were in line with the established audit methodology and covered Palm trees & pineapple cultivation, lawn activities and AML/CFT for property development.

Audit plan and department

Internal audit plan is prepared using a risk-based approach which includes the changes in risk profiles, emerging risks and significant areas. The three-year plan includes holding and subsidiary companies but exclude associated companies and joint ventures. The three-year plan is reviewed and approved by the RMAC on an annual basis to incorporate the changing risk landscape.

Audit reports and recommendations are prepared following each audit and appropriate measures are then taken to ensure that all recommendations are implemented. Status reports on management's implementation of internal audit recommendations are provided to the RMAC on a quarterly basis. Members of the internal audit team are qualified or partly qualified accountants. The structure and qualifications of the key members of the Risk & Audit Department is detailed on the Rogers website.

There were no major limitations or restrictions in the audit scope, access to records, management and employees.

External Audit**Appointment**

BDO was re-elected as external auditors on 19 April 2023 for the current financial year.

BDO has been re-elected as external auditor of the Company since more than 6 years. Rotation of external auditors is as per legal requirements and is performed through a tendering process at group level.

7. PRINCIPLE 7 – AUDIT (CONT'D)Effectiveness

External audit process, planning, observations, recommendations, and accounting principles, critical policies, judgements and estimates are evaluated and discussed with the Risk Management and Audit Committee.

Non-audit services

For the year under review, there were no non-audit services rendered by the external auditor, BDO.

8. PRINCIPLE 8 - RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Company is a subsidiary of Rogers. Communication with the shareholders and other stakeholders is done mainly through the Audited Financial Statements, Meeting of Shareholders, meetings with investors and the website. The relevant stakeholders have, as and when required, been involved in a dialogue regarding the Company's position, performance and outlook.

The Company's transition from the sugar industry into agri-business and real estate in a competitive context underscores the importance of sustainability in its current business model. To guide its sustainability efforts, the Company has adopted the Rogers' group sustainability framework, focusing on two main pillars: environmental and social actions.

In the financial year 2022/23, the Company implemented various sustainability projects in Bel Ombre. Notably, a small biological farm was launched in April 2023, where 18 local inhabitants received training in biological agriculture and were provided with 0.25 acres of land to cultivate their crops. This initiative promotes environmentally friendly farming practices while supporting local communities.

On the social pillar, the Company has demonstrated its commitment by providing facilities for the operation of an NGO (Caritas) and a social enterprise (Fey Palmis) in Bel Ombre. By offering infrastructure support, the Company contributes to community development and welfare, aligning with its social responsibility objectives.

Furthermore, the Company has made strategic decisions to select partners based on environmental and social criteria for operations on its land. For instance, the Company hosts the glass recycling cooperative Plankton in Bel Ombre, supporting circular economy initiatives and environmental sustainability. Additionally, the Company collaborates closely with its sister company, Rogers Hospitality Operations Ltd, in Chamarel and Bel Ombre, leveraging synergies to enhance sustainability practices across operations.

The Company recognises that sustainability is not only essential for its business success but also for the well-being of its stakeholders and the environment. The Company actively shares its commitment to sustainability with its staff, board of directors, and external stakeholders, fostering a culture of responsibility and accountability. The Company acknowledges the transformative potential of sustainable practices in the years to come, signalling its dedication to long-term environmental and social stewardship.

The substantial shareholders of the Company as at 30 June 2023 were Societe Belcase, Societe Rouillard Frere & Cie and South West Tourism Development Company Limited, holding 20.25%, 5.02% and 52.34% respectively of the stated capital of the Company.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

Annual Meeting of Shareholders and other shareholder meetings are held in compliance with the Companies Act 2001 and its Memorandum and articles of association. Moreover, the notice and proxy of such meeting are sent in accordance with the Companies Act 2001 and its Memorandum and articles of association and subsequently published on the website of the Company (<https://agria.mu/>).

In line with Principle 8 of the Code, the voting result(s) of any Annual/Special Meeting of Shareholders of the Company will be made available on the website of the Company (<https://agria.mu/>).

The Company has no formal dividend policy. Payment of dividend is subject to its profitability, its foreseeable investment, capital expenditure and working capital requirements. There was no dividend declared and paid during financial year under review.

9. OTHER MATTERS

Pursuant to the Financial Intelligence and Anti Money Laundering Act 2002 ('FIAMLA') and the guidelines issued thereto, the Company is categorised as a "real estate agent" and is required to implement an AML/CFT framework which includes:

- (i) the appointment of key officers;
- (ii) the development of policies and internal control procedures;
- (iii) procuring training programs; and
- (iv) being subject to audit and review.

The Company has appointed Mrs. Doreen Lam as Money Laundering Reporting Officer and Mrs. Smritee Basant Roi as Compliance Officer. The position statement of the MLRO is available on the website of the Company. In the same vein, the Company has approved a compliance manual, prepared to comply with the requirements of the FIAMLA.

10. COMPLIANCE STATEMENT

Throughout the year ended June 30, 2023, to the best of the Board's knowledge, the Company has applied all the principles of the Code and explained how these principles have been applied.

SECRETARY'S CERTIFICATE

UNDER SECTION 166(d) OF THE COMPANIES ACT 2001

In my capacity as Company Secretary of AGRIA Limited (the "Company"), I hereby confirm that, to the best of my knowledge and belief, save for the filing of the audited financial statements of the Company for the year ended 30 June 2023, the Company has filed with the Registrar of Companies, for the year ended 30 June 2023, all such returns as are required of the Company under the Mauritius Companies Act 2001.


Company Secretary

Date:

19 APR 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Agria Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Agria Limited and its subsidiaries (the "Group"), and the Company's separate financial statements set out on pages 7 to 88 which comprise the consolidated and separate statements of financial position as at June 30, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements on pages 7 to 88 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Director's Report, Statutory Disclosures, Statement of Compliance, Corporate Governance Report, and Secretary's Certificate but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Agria Limited

Responsibilities of Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the 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 the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Agria Limited

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

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

19 APR 2024

Port Louis,
Mauritius

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BDO & Co

BDO & Co
Chartered Accountants
Shabnam Peerbocus, FCA
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AGRIA LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2023

7(a)

	Notes	THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	1,135,513	2,362,626	1,120,712	2,333,517
Right-Of-Use Assets	6	103,272	99,246	54,828	51,454
Deferred expenditure	7	3,951	-	3,951	-
Investment properties	8	2,122,317	621,036	1,969,630	472,331
Intangible assets	9	392	133	392	133
Investments in subsidiary companies	10	-	-	157,001	146,601
Investment in associated company	11	22,410	18,964	16,300	14,400
Financial assets at fair value through other comprehensive income	12	357,051	355,978	357,051	355,978
Financial assets at amortised cost	13	76,918	83,333	8,593	8,563
Investment in joint ventures	14	36,515	39,049	-	-
		3,858,339	3,580,365	3,688,458	3,382,977
Current assets					
Inventories	15	489,235	623,643	5,814	5,735
Consumable biological assets	16	61,692	61,160	61,692	61,160
Trade and other receivables	17	21,628	37,773	17,264	8,735
Amounts receivable from group companies	18	18,990	7,533	19,355	12,291
Financial assets at amortised cost	13	31,890	18,210	-	-
Prepayments	19	324	6,246	280	6,205
Other receivables	20	25,276	21,156	16,675	13,832
Cash at bank and in hand	36(b)	25,429	23,677	6,760	4,238
		674,464	799,398	127,840	112,196
Total assets		4,532,803	4,379,763	3,816,298	3,495,173
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	21	73,260	73,260	73,260	73,260
Other reserves		2,329,215	2,343,311	1,890,618	1,893,006
Translation reserve		103,053	101,892	-	-
Retained earnings		463,803	407,907	902,268	856,380
Equity attributable to the owners of the Company		2,969,331	2,926,370	2,866,146	2,822,646
Non-controlling interests		200,584	180,539	-	-
Total equity		3,169,915	3,106,909	2,866,146	2,822,646

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

AGRIA LIMITED AND ITS SUBSIDIARIES

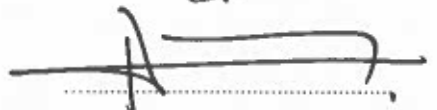
STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2023 (CONT'D)

7(b)

		THE GROUP		THE COMPANY	
	Notes	2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
LIABILITIES					
Non-current liabilities					
Borrowings	23	543,016	413,569	505,076	295,393
Retirement benefit obligations	24	74,560	115,356	72,338	110,596
Lease liabilities	6A	9,529	7,242	8,538	5,355
		627,105	536,167	585,952	411,344
Current liabilities					
Trade and other payables	26	332,784	350,958	147,423	71,103
Amounts payable to group companies	27	20,923	76,386	20,923	61,605
Deferred income	25	3,213	-	3,213	-
Lease liabilities	6A	4,602	3,201	2,481	984
Borrowings	23	239,580	66,347	155,616	62,669
Bank Overdrafts	23A	134,681	239,795	34,544	64,822
		735,783	736,687	364,200	261,183
Total liabilities		1,362,888	1,272,854	950,152	672,527
Total equity and liabilities		4,532,803	4,379,763	3,816,298	3,495,173

The financial statements have been approved for issue by the Board of Directors on:

19 APR 2024

) DIRECTORS' NAME

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP		THE COMPANY	
		2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	2.19				
Sugar, molasses and other proceeds	30	16,594	22,464	16,594	22,464
Proceeds from sales of real estates	31	461,168	324,046	-	-
Other revenue	31	123,015	119,127	126,538	116,603
		600,777	465,637	143,132	139,067
Expenses					
Operating and administrative expenses	32(a)	341,551	256,514	263,289	180,374
Direct costs - sales of real estates	32(c)	330,219	215,085	-	-
Movement in consumable biological assets	16	(532)	7,897	(532)	7,897
Net impairment (gains)/losses on financial assets	17	(12,007)	4,118	(5,428)	2,247
Depreciation and amortisation	32(a)	37,646	24,829	20,368	20,646
		696,877	508,443	277,697	211,164
Operating loss		(96,100)	(42,806)	(134,565)	(72,097)
Other income	33	17,604	32,548	18,501	14,362
Increase in fair value of investment property	8	201,879	21,529	203,400	-
Finance costs	34	(51,114)	(26,114)	(38,149)	(13,162)
Share of results of associated company	11	3,917	2,409	-	-
Share of results of joint ventures	14	(2,534)	(1,726)	-	-
Other expenses	35	(3,299)	-	(3,299)	-
Profit/(Loss) before taxation		70,353	(14,160)	45,888	(70,897)
Income tax charge	28	-	(887)	-	(887)
Profit/(loss) for the year		70,353	(15,047)	45,888	(71,784)
Other comprehensive income/(loss)- (net of tax)					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of post retirement benefit obligations	24	18,735	(5,617)	18,143	(5,220)
Deferred tax on retirement benefit obligations	29	-	887	-	887
Revaluation loss on land and buildings	22	136,605	-	136,605	-
Change in use and lapse conversion	22	(170,509)	-	(170,509)	-
Changes in fair value of equity instruments at fair value through other comprehensive income	22	1,073	63,181	13,373	135,475
<i>Items that may be reclassified subsequently to profit or loss</i>					
Currency translation differences		6,749	13,114	-	-
		(7,347)	71,565	(2,388)	131,142
Total comprehensive income for the year		63,006	56,518	43,500	59,358

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

AGRIA LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

8(b)

YEAR ENDED JUNE 30, 2023

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) attributable to:				
Owners of the Company	55,896	(28,789)	45,888	(71,784)
Non-controlling interests	14,457	13,742	-	-
	70,353	(15,047)	45,888	(71,784)
Total comprehensive income attributable to:				
Owners of the Company	42,961	37,781	43,500	59,358
Non-controlling interests	20,045	18,737	-	-
	63,006	56,518	43,500	59,358

The notes on pages 12 to 88 form an integral part of these financial statements.

Independent auditor's report on pages 6 to 6(b).

THE GROUP	Other reserves							Non-controlling interests	Total equity
	Share capital	Revaluation reserves	Financial Assets at fair value through OCI reserve	Actuarial gains/(losses)	Translation reserve	Retained earnings	Total		
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2023	73,260	2,574,762	(164,749)	(66,702)	101,892	407,907	2,926,370	180,539	3,106,909
Profit for the year	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	(33,904)	1,073	18,735	1,161	55,896	55,896	14,457	70,353
Total comprehensive income for the year	-	(33,904)	1,073	18,735	1,161	-	(12,935)	5,588	(7,347)
At June 30, 2023	73,260	2,540,858	(163,676)	(47,967)	103,053	463,803	2,969,331	200,584	3,169,915
At July 1, 2021	73,260	2,576,237	(227,930)	(61,972)	93,774	447,936	2,901,305	161,802	3,063,107
Prior year adjustments	-	(1,475)	-	-	-	(11,240)	(12,715)	-	(12,715)
At July, 1 - as restated	73,260	2,574,762	(227,930)	(61,972)	93,774	436,696	2,888,590	161,802	3,050,392
Profit for the year	-	-	-	-	-	(28,789)	(28,789)	13,742	(15,047)
Other comprehensive income for the year	-	-	63,181	(4,730)	8,118	-	66,569	4,995	71,564
Total comprehensive income for the year	-	-	63,181	(4,730)	8,118	(28,789)	37,780	18,737	56,517
At June 30, 2022	73,260	2,574,762	(164,749)	(66,702)	101,892	407,907	2,926,370	180,539	3,106,909

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

AGRIA LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2023

10

THE COMPANY	Other reserves					Total equity Rs'000
	Share capital Rs'000	Revaluation reserves Rs'000	Financial Assets at fair value through OCI reserve Rs'000	Actuarial gains/(losses) Rs'000	Retained earnings Rs'000	
At July 1, 2022	73,260	2,504,451	(550,689)	(60,756)	856,380	2,822,646
Profit for the year	-	-	-	-	45,888	45,888
Other comprehensive income for the year	-	(33,904)	13,373	18,143	-	(2,388)
Total comprehensive income for the year	-	(33,904)	13,373	18,143	45,888	43,500
At June 30, 2023	73,260	2,470,547	(537,316)	(42,613)	902,268	2,866,146
At July 1, 2021	73,260	2,504,451	(686,164)	(56,423)	928,164	2,763,288
Profit for the year	-	-	-	-	(71,784)	(71,784)
Other comprehensive income for the year	-	-	135,475	(4,333)	-	131,142
Total comprehensive income for the year	-	-	135,475	(4,333)	(71,784)	59,358
At June 30, 2022	73,260	2,504,451	(550,689)	(60,756)	856,380	2,822,646

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2023

		THE GROUP		THE COMPANY	
	Notes	2023	2022	2023	2022
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Cash generated from /(absorbed by) operations	36(a)	46,914	156,138	(59,223)	17,111
Interest paid	34	(59,750)	(28,249)	(38,072)	(16,936)
Net cash (used in) / from operating activities		(12,836)	127,889	(97,295)	176
Investing activities					
Purchase of property, plant and equipment	5	(21,288)	(78,269)	(19,721)	(87,129)
Purchase of intangible assets	9	(392)	-	(392)	-
Leased assets acquired	6	-	(422)	-	(406)
Purchase of investment properties	8	(126,713)	-	(126,713)	-
Proceeds from sale of property, plant and equipment		14,319	1,400	11,732	473
Interest received		940	2,262	940	-
Dividends received		11,004	600	11,004	600
Net cash used in investing activities		(122,130)	(74,429)	(123,150)	(86,462)
Financing activities					
Proceeds from borrowings	36(c)	302,680	44,150	302,630	-
Payments on borrowings	36(c)	-	(12,123)	-	(12,124)
Payment of lease liabilities	36(c)	(6,621)	(2,863)	(1,639)	(812)
Advances refunded by related party		-	7,668	-	-
Loan refunded by related company		(11,457)	(38,958)	(7,064)	-
Loan received from related company		(55,463)	50,000	(40,682)	50,000
Net cash from financing activities		229,139	47,874	253,245	37,064
Net increase/(decrease) in cash and cash equivalents		94,173	101,334	32,800	(49,223)
Movement in cash and cash equivalents					
At July 1,		(216,118)	(310,514)	(60,584)	(11,361)
Exchange difference		12,692	(6,938)	-	-
Increase/(decrease)		94,173	101,334	32,800	(49,223)
At June 30,	36(b)	(109,252)	(216,118)	(27,784)	(60,584)
Cash and cash equivalents					
Cash and cash equivalents		25,429	23,677	6,760	4,238
Bank overdraft		134,681	239,795	34,544	64,822
		(109,252)	(216,118)	(27,784)	(60,584)

The notes on pages 12 to 88 form an integral part of these financial statements.
Independent auditor's report on pages 6 to 6(b).

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

1. GENERAL INFORMATION

Agria Limited is a public limited company incorporated and domiciled in Mauritius and is engaged in the cultivation of other agricultural products, leisure activities and real estate. The address of its registered office is John Kennedy Street, Rogers House, Port Louis and the place of business is at Bel Ombre. On October 22, 2019, the Company's name was changed from Compagnie Sucrière de Bel Ombre Limited to AGRIA Limited. South West Tourism Development Limited is the holding company and the ultimate controlling party is Société Carédas. Both entities are incorporated and domiciled in Mauritius.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of AGRIA Limited comply with the Mauritius Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and Financial Reporting Act 2004. Where necessary, comparative figures have been amended to conform with changes in current year.

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

The financial statements have been prepared under historical cost convention, except that:

- (i) land and buildings are carried at revalued amount;
- (ii) investments in subsidiaries and associated companies are stated at fair value at company level;
- (iii) financial assets at fair value through other comprehensive income are stated at fair value;
- (iv) biological assets are stated at fair value.
- (v) investment properties are carried out at fair value.
- (vi) relevant financial assets and financial liabilities are carried at amortised cost.

The Board of Directors has made an assessment of the Group's and Company's ability to continue as a going concern and is satisfied that the Group and Company have the resources to continue in business for the foreseeable future. At June 30, 2023, the Group has net current liabilities of Rs'000 61,319 (2022: Rs'000 62,711) and the Company had net current liabilities of Rs'000 236,360 (2022: Net current liabilities of Rs'000 148,987). The Directors are of opinion that there is not a going concern issue given the availability of continued banking facilities, support from holding company and future operations. Therefore, the financial statements have been prepared on a going concern basis.

Application of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Group and the Company have applied all of the new and revised relevant Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on July 1, 2022.

Basis of consolidation

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Application of new and revised International Financial Reporting Standards (IFRS) (Cont'd)

Basis of consolidation (cont'd)

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

When the Company has less than a majority of the voting rights of an investee, it considers it has power over the

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

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

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

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

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

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (Cont'd)****Standards, Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)***Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use (cont'd)*

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after July 1, 2022 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IAS 1 Presentation of financial statements - Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (Cont'd)*****Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)******Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates***

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

IAS 12 Income Taxes —Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4- Insurance Contracts.

Amendment for which effective date has been deferred indefinitely until further notice***IFRS 10 Consolidated Financial Statements***

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (Cont'd)**

The directors anticipate that these amendments will be adopted in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

Where relevant, the Group and the Company are still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Property, plant and equipment

Land and buildings, held for use for cultivation of sugar cane and for other diversification activities are stated at revalued amount based on periodic, but at least every 3 years, valuations by external independent valuers, less subsequent depreciation for buildings and any accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment are initially recorded at historical cost less any accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income and shown as revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity. All other decreases are charged to profit or loss.

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

- Buildings	7 - 50 years
- Agricultural equipment	5 - 10 years
- Transport equipment	5 - 10 years
- Furniture and office equipment	3 - 10 years
- Non-sugar assets	5 - 50 years
- Bearer plants	8 years

Land is not depreciated.

Bearer plants have been estimated based on the cost of preparation of land and planting of sugar cane ratoon.

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Property, plant and equipment (cont'd)**

The carrying amount of an item of plant and equipment is derecognised (a) on disposal or (b) when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss. On disposal of revalued assets, the amounts included in revaluation reserve are transferred to retained earnings.

Asset in progress relates to cost incurred subsequently to add to, replace part of, or service a property. These costs are capitalised and transferred to building when they are ready for intended use. As the asset is not ready for intended use, it is not depreciated.

2.3 Investment properties

Investment properties, held to earn rentals/or for capital appreciation or both and not occupied by the Company, are measured initially at cost, including transaction costs. An owned investment property is recognised as an asset when:

- (a) it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- (b) the cost of the investment property can be measured reliably.

Subsequent to initial recognition, investment properties are carried at fair value, representing open-market value determined annually by external valuers. Changes in fair values are included in profit or loss.

The Company transfers a property to, or from, investment property when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. For a transfer from investment property to inventories, the property's deemed cost for subsequent accounting in accordance with IAS 2 is its fair value at the date of change in use.

An investment property is derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss (unless IFRS 16 requires otherwise on a sale and leaseback) in the period of the retirement or disposal.

2.4 Intangible assets**(a) Trading rights**

Trading rights arising on an acquisition of a business activity is carried at cost as established at the date of acquisition of the business less amortisation. The trading rights are amortised over a period of 4 years. The Directors are of opinion that the benefits arising from the acquisition of the business will accrue over a period of 4 years.

An impairment test is carried out annually.

(b) Computer software

Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software and is amortised using the straight line method over its estimated useful life (3-5 years).

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.5 Investment in subsidiaries***Separate financial statements of the investor*

In the separate financial statements of the investor, investments in subsidiary companies are carried at fair value through other comprehensive income.

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 de-consolidated 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 values 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 interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree (if any) over the fair value of the Group's share of the identifiable net assets acquired is 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.

Transactions and 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 recognised in profit or 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 other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.6 Investment in associate*Separate financial statements of the investor*

In the separate financial statements of the investor, investments in associated companies are carried at fair value through other comprehensive income.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.6 Investment in associate (cont'd)***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 associated companies 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 investment.

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 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 associate. Unrealised profits and losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Where necessary, appropriate adjustments are made to the financial statements of associate 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.

2.7 Investments in joint ventures

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.

Joint ventures are accounted for using the equity method at Group level. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the company's net investment in the joint ventures), the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the company and its joint ventures are eliminated to the extent of the company's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.8 Financial instruments**(a) Initial Recognition**

Financial assets and financial liabilities are recognised in the Group and Company's statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Financial instruments (Cont'd)****(b) Offsetting of financial instruments**

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

(c) Financial assets

The Company classifies its financial assets at amortised cost.

*Amortised cost**(i) Initial and Subsequent Measurement*

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

(ii) Impairment

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses, based on a provision matrix. The expected credit loss rates are based on the payment profiles of sales of the 24 months before June 30, and the corresponding historical credit losses experienced within this period. The historical losses are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the GDP and the employment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on the expected changes in these factors. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model, using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of profit or loss (operating profit).

The Company's financial assets measured at amortised cost comprise Other financial assets at amortised cost, trade and other receivables, loans to related parties and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand and bank overdrafts.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Financial instruments (cont'd)****(c) Financial assets (cont'd)***Amortised cost (cont'd)**(iii) Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iv) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the clients.
- A breach of contract, such as a default or past due event.
- The company, for economic or contractual reasons relating to the client's financial difficulty, having granted to the client a concession(s) that the company would not otherwise consider.
- It is becoming probable that the client will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market for that financial asset because of financial difficulties.

(v) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(vi) Fair value through other comprehensive income

The Group has a number of investments in entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Financial instruments (cont'd)****(c) Financial assets (cont'd)***(vi) Fair value through other comprehensive income (cont'd)*

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases or sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income.

(iv) Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

The Company classifies its financial liabilities as per business model test and contractual cashflows of the liability. The Company's accounting policy for each category is as follows:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any interest payable while the liability is still outstanding.

- Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- The Company obtain deposits from customers which are used towards payment for the sales of goods. Such deposits are treated as financial liabilities in accordance with IFRS 9. They are initially recognised at fair value and subsequently measured at amortised cost.

The Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.9 Borrowings**

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 twelve months after the end of the reporting period.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Consumable biological assets

Consumable biological assets comprise standing canes, palm plants, nursery plants and deer farming. Living animals that are capable of biological transformation. Biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset. A biological asset is recognised when the Group controls the assets as a result of past events, it is probable that future economic benefits will flow to the Group and the fair value or cost of the asset can be measured reliably. "A biological asset is measured on initial recognition and at the end of each reporting period at its fair value less costs to sell." They are stated at fair value less point of sale costs. The fair value of standing canes is the present value of expected net cash flows from standing crops discounted at the relevant market determined pre-tax rate. The changes in fair value of the biological assets are recognised in the statement of profit or loss. Labour and field maintenance costs are expensed as incurred.

2.12 Inventories*(i) Inventory properties*

Inventory properties is principally made up of property previously held as investment property which has been transferred on evidence of change in use, start of development in view of sale. Inventories measured at the lower of cost and net realisable value (NRV).

Principally, this is residential property that the Group develops and intends to sell before, or on completion of, development.

Cost incurred in bringing each property to its present location and condition includes:

- Freehold rights for land
- Amounts paid to contractors for development
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other inventory

For other categories of stocks, cost used for consumption is determined on a weighted average cost. When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.13 Land conversion rights**

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

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

2.14 Taxation

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

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.

Deferred tax

Deferred income tax is provided in full, using the liability method, on all temporary differences 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 by the end of reporting date 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 fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sales, 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 sales.

2.15 Retirement benefit obligations**(a) 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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.15 Retirement benefit obligations (cont'd)****(b) 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, years 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 period.

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 benefit payments. Net 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.

(c) Unfunded plans

Artisans and labourers of sugar companies are entitled to gratuities on retirement payable under the Workers' Rights Act 2019. The obligations, which are not funded, are calculated by a qualified actuary and have been accounted for in the financial statements.

(d) 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 Workers' Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

2.16 Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). 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 the 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance costs.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.16 Foreign currencies (Cont'd)***(ii) Transactions and balances (cont'd)*

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

(iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates;
- (c) all resulting exchange differences are recognised as a separate component of equity;
- (d) land projects and share capital are translated at historical rate.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are accounted for as other comprehensive income.

2.17 Impairment of non-financial assets

At each reporting date, the Group and the Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer to Notes 5,6,9,10,11 and 14)

2.18 LeasesThe Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.18 Leases (cont'd)**The Group as a lessee (cont'd)

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

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

The lease liability is presented as a separate line in the statement of financial position.

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

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

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

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

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

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

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

The depreciation starts at the commencement date of the lease.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.18 Leases (cont'd)**The Group as a lessee (cont'd)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Lease income from leases where the Group/Company is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group/Company did not make any adjustments to the accounting for assets held as lessor as a result of adopting IFRS 16.

2.19 Revenue recognition*Performance obligations and timing of revenue recognition*

The Group derives revenue mainly from:

- sales of goods and services and
- sales of real estates

(i) Sales of goods and services and

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

The group derives revenue from the proceeds of sugar and its related by-products and sales of other agricultural & horticultural produce. Revenue is recognised at a point in time when control of the goods are actually transferred to the customer. This is generally when the goods are delivered to the customer.

The Group/Company provides landscaping services to clients, with revenue recognised on an over time basis. The Group/Company recognises revenue based on stage of completion of projects for implementation landscaping and as customer receive and consume the benefits in case of maintenance landscaping.

Revenue recognized at a point in time when control of the asset is transferred to the customer, normally on unconditional exchange of contracts. There is limited judgement needed in identifying the point control passes. Once the sale contracts are signed, physical delivery of the products to the agreed location or delivery of service has occurred, the Group no longer has legal possession, will have a present right to payment and retains none of the significant risks and rewards. The revenue is derived from fixed price contracts and therefore the amount of revenue is determined by reference to those prices.

(ii) Sales of real estates

The Group also derives its revenue from the sales of land and villas. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Revenue from the sale of land or completed property is recognized at a point in time when control of the asset is transferred to the customer, normally on unconditional exchange of contracts. There is limited judgement needed in identifying the point control passes. Once the sale contracts are signed, the Company no longer has legal possession, will have a present right to payment and retains none of the significant risks and rewards. The revenue is derived from fixed price contracts and therefore the amount of revenue is determined by reference to those prices.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.19 Revenue recognition (cont'd)****(ii) Sales of real estates (cont'd)**

Where the contract with the customer involves the sale of land and villas, revenue is recognized over time, i.e. over the construction period using an input method based on the progress of works as certified by a Quantity Surveyor. The property constructed has no alternative use for the Company, which has an enforceable right to payment for works completed. The Company considers that one performance obligation exists for these types of contracts as the goods and services are highly interrelated and are not capable of being distinct. For contract modifications where the remaining goods or service are not distinct, the effect is recognized as an adjustment to revenue at the date of the contract modification.

Determining the transaction price

The prices in the contract are fixed and the amount of revenue to be earned from each contract is determined by reference to those prices.

Sugar, molasses and bagasses prices are based on the recommendations made to all sugar companies by the Mauritius Sugar Syndicate.

Allocating amounts to performance obligations

For most contracts, there is a fixed price for each good or service sold. Therefore, there is little judgement involved in allocating the contract price to each performance obligation.

Costs of obtaining contracts and costs of fulfilling contracts

Incremental commission paid in obtaining contracts of period longer than one year are recorded in deferred expenditure and amortised based on stage of completion of the contract. No judgement is needed to measure the amount of costs of obtaining contracts - it is the commission paid.

The Company recognises an asset from the costs incurred to fulfil a contract when the costs relate directly to the contract, the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future and the costs are expected to be recovered. Such costs are included in inventories.

Other revenues earned by the Group are recognised on the following basis:

- Interest income - calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently became 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).
- Other income are recognised on an accrual basis unless collectibility is in doubt where it is then recognised on a cash basis.
- Rental income arising from operating leases - on a straight-line basis over the lease term.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.19 Revenue recognition (cont'd)**

Costs of obtaining contracts and costs of fulfilling contracts (cont'd)

Contract liabilities (cont'd)

The Group also derives income from sales of land options. A land option gives the customer the option to buy a property in the future against an upfront payment. The proceeds are treated as a contract liability as no performance obligation is delivered at that time until the customer buys the land or the option period expires.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events which will probably result in an outflow of resources that can be reliably estimated.

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 date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the provision, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.21 Deferred income

Deferred income comprises of advance payment on rentals and are released to profit or loss in the remaining lease period, that is, 5 years.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed.

3. FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Group's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk to which the Group is exposed the mainly currency risk and risk.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)(i) Currency risk

The Group includes a subsidiary whose functional currency is the USD Dollars and is therefore exposed to currency risk. Foreign exchange risk arises from the commercial transactions and the recognised assets and liabilities. The currency exposure arising from the net assets is primarily from borrowings denominated in USD.

Management has set up a policy to require the Company to manage its foreign exchange risk exposure with treasury.

The currency profile of the Group and the Company financial assets and liabilities is summarised below:

THE GROUP	2023			
	Financial assets			
	USD Rs'000	EURO Rs'000	MUR Rs'000	Total Rs'000
<u>At amortised cost</u>				
Financial assets at amortised cost (Note 13)	108,808	-	-	108,808
Loan to related parties (Note 18)	-	-	18,990	18,990
Trade receivables (Note 17)	1,886	-	19,742	21,628
Other receivables (Note 20)	8,601	-	16,675	25,276
Cash and Bank (Note 37(b))	18,669	-	6,760	25,429
	<u>137,964</u>	<u>-</u>	<u>62,167</u>	<u>200,131</u>
<u>At Fair Value through OCI</u>				
Investment in joint venture (Note 14)	36,515	-	-	36,515
Financial assets at fair value through OCI (Note 12)	-	-	357,051	357,051
	<u>36,515</u>	<u>-</u>	<u>357,051</u>	<u>393,566</u>
Total financial assets	<u>174,479</u>	<u>-</u>	<u>419,218</u>	<u>593,697</u>
	2023			
	Financial liabilities			
	USD Rs'000	EURO Rs'000	MUR Rs'000	Total Rs'000
Borrowings (Note 23)	121,904	-	660,692	782,596
Bank overdrafts (Note 23A)	100,137	-	34,544	134,681
Lease liabilities (gross)	-	-	16,294	16,294
Trade and other payables (Note 26)	185,041	-	112,216	297,257
Amount payable to related party (Note 27)	-	-	20,923	20,923
	<u>407,082</u>	<u>-</u>	<u>844,669</u>	<u>1,251,751</u>

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)(i) Currency risk (cont'd)THE GROUP

	2022			
	Financial assets			Total
	USD	EURO	MUR	
	Rs'000	Rs'000	Rs'000	Rs'000
<u>At amortised cost</u>				
Financial assets at amortised cost (Note13)	101,543	-	-	101,543
Loan to related parties (Note 18)	-	-	7,533	7,533
Trade receivables (Note 17)	26,791	-	10,982	37,773
Other receivables (Note 20)	7,324	-	13,832	21,156
Contract assets (Note 32(b))	19,439	1,895	2,343	23,677
	<u>155,097</u>	<u>1,895</u>	<u>34,690</u>	<u>191,682</u>
<u>At Fair Value through OCI</u>				
Investment in joint venture (Note 14)	39,049	-	-	39,049
Financial assets at fair value through OCI (Note 12)	-	-	355,978	355,978
	<u>39,049</u>	<u>-</u>	<u>355,978</u>	<u>395,027</u>
Total financial assets	<u>194,146</u>	<u>1,895</u>	<u>390,668</u>	<u>586,709</u>

	2022			
	Financial liabilities			Total
	USD	EURO	MUR	
	Rs'000	Rs'000	Rs'000	Rs'000
Borrowings (Note 23)	121,854	-	358,062	479,916
Bank overdrafts (Note 23A)	174,973	-	64,822	239,795
Lease liabilities (gross)	-	-	31,258	31,258
Trade and other payables (Note 26)	68,980	1,130	195,976	266,086
Amount payable to related party (Note 27)	37,922	-	38,464	76,386
	<u>403,729</u>	<u>1,130</u>	<u>688,582</u>	<u>1,093,441</u>

THE COMPANY

	2023	2022
	Rs'000	Rs'000
Financial assets		
<u>At amortised cost</u>		
Financial assets at amortised cost (Note13)	8,593	8,563
Receivable from related parties (Note 18)	19,355	7,533
Trade receivables (Note 17)	17,264	8,735
Other receivables (Note 20)	16,675	13,832
Cash and Bank (Note 37(b))	6,760	4,238
	<u>68,647</u>	<u>42,901</u>

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)(i) Currency risk (cont'd)THE COMPANY (CONT'D)

	2023 Rs'000	2022 Rs'000
Financial liabilities		
Borrowings (Note 23)	660,692	359,019
Bank overdrafts (Note 23A)	34,544	64,822
Lease liabilities (gross)	12,647	5,023
Trade and other payables (Note 26)	137,758	60,387
Amount payable to related party (Note 27)	20,923	61,605
	<u>866,564</u>	<u>550,856</u>

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position as financial assets at fair value through profit or loss. Investment in one entity accounts for 99.84% of its investment in financial assets.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	<u>Impact on equity</u>	
	2023	2022
Categories of investments:	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income	<u>17,853</u>	<u>17,799</u>

(b) Cash flow interest rate risk

The Group's interest-rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. To mitigate the interest rate risk, the company has the right for early repayment.

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. Financial assets are either interest free or bear a fixed rate of interest; therefore, they are not exposed to interest rate risk. For instance, the financial assets as shown in the categories of financial instruments, with the exception of loans and advances, are interest free.

At June 30, 2023, if interest rates on borrowings and bank overdrafts had been 10 basis points higher/lower with all other variables held constant, post tax profit for the year would have been Rs'000 5,910 (2022: Rs'000 597) lower/higher for the Group and Rs'000 7,797 (2022: Rs'000 352) lower/higher for the Company, mainly as a result of higher/lower interest expense on floating rate borrowings.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(b) Cash flow interest rate risk (cont'd)

THE GROUP	Carrying amounts at		Interest rate		Impact on	
	June 30,				post-tax profit	
	Rupees	USD	Rupees	USD	Rupees	USD
	Rs'000	Rs'000	%	%	Rs'000	Rs'000
2023						
Borrowings						
Bank overdrafts	64,822	174,973	8.50%	6.75%	54	145
Bank borrowings	336,602	121,903	8.50%	6.75%	279	101
Other loans	324,090	-	Repo rate + 1.65%	3% + 1mth LIBOR	269	-
	<u>725,514</u>	<u>296,876</u>			<u>602</u>	<u>246</u>
	Carrying amounts at		Interest rate		Impact on	
	June 30,				post-tax profit	
	Rupees	USD	Rupees	USD	Rupees	USD
	Rs'000	Rs'000	%	%	Rs'000	Rs'000
2022						
Borrowings						
Bank overdrafts	64,821	174,974	4.25%	3.09	54	145
Bank borrowings	178,061	44,150	4.25%	4.625	148	37
Other loans	180,000	77,704	1.65%	LIBOR	149	64
	<u>422,882</u>	<u>296,828</u>			<u>351</u>	<u>246</u>
THE COMPANY						
			Carrying		Impact on	
			amounts at	Interest	post-tax	
			June 30,	rate	profit	
			Rs'000	%	Rs'000	
2023						
Borrowings						
Bank overdrafts			34,544	6.75%	29	
Bank borrowings			336,602	6.75%	279	
Other loans			324,090	Repo rate + 1.65%	269	
			<u>695,236</u>		<u>577</u>	
2022						
Borrowings						
Bank overdrafts			64,822	4.25%	54	
Bank borrowings			178,061	4.25%	148	
Other loans			180,000	Repo rate + 1.65%	149	
			<u>422,883</u>		<u>351</u>	

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(c) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of financial assets at amortised cost, at fair value through other comprehensive income and deposits with banks and financial institutions as well as credit exposures to customers, including outstanding receivables.

For banks and financial institutions, only parties with good reputation are accepted.

Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by management.

The Group sets payment terms such that cash is received in a timely manner to minimise credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or corporate.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit market positions.

The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the group's financial exposure into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date.

<u>THE GROUP</u>	<u>Less than 1 year Rs'000</u>	<u>Between 1 and 2 years Rs'000</u>	<u>Between 2 and 3 years Rs'000</u>	<u>Between 3 and 5 years Rs'000</u>	<u>Over 5 years Rs'000</u>
<u>At June 30, 2023</u>					
Bank borrowings*	11,616	67,846	33,591	204,403	57,086
Other loans	144,000	-	-	-	180,090
Bank overdrafts	134,681	-	-	-	-
Trade and other payables	297,257	-	-	-	-
Amounts payable to group companies	20,923	-	-	-	-
Lease liabilities*	4,049	3,832	3,455	4,010	948
	<u>612,526</u>	<u>71,678</u>	<u>37,046</u>	<u>208,413</u>	<u>238,124</u>
<u>At June 30, 2022</u>					
Bank borrowings*	19,732	19,732	19,732	39,464	143,800
Other loans	50,284	78,027	652	130,058	-
Bank overdrafts	239,795	-	-	-	-
Trade and other payables	266,376	-	-	-	-
Amounts payable to group companies	76,386	-	-	-	-
Lease liabilities*	5,162	4,741	4,741	8,852	9,501
	<u>657,735</u>	<u>102,500</u>	<u>25,125</u>	<u>178,374</u>	<u>153,301</u>

* Bank borrowings and lease liabilities are at gross amount.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(d) Liquidity risk (cont'd)

THE COMPANY	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2023					
Bank borrowings*	144,000	4,469	5,200	141,511	28,910
Other loans	11,616	25,418	28,410	62,892	208,266
Bank overdrafts	34,544	-	-	-	-
Trade and other payables	137,758	-	-	-	-
Amounts payable to group companies	20,923	-	-	-	-
Lease liabilities*	3,082	2,947	2,803	3,576	572
	351,923	32,834	36,413	207,979	237,748
At June 30, 2022					
Bank borrowings*	12,669	13,538	14,366	28,269	109,220
Other loans	50,000	323	652	129,025	-
Bank overdrafts	64,822	-	-	-	-
Trade and other payables	60,387	-	-	-	-
Amounts payable to group companies	61,605	-	-	-	-
Lease liabilities*	700	743	789	1,696	1,096
	250,183	14,604	15,807	158,990	110,316

*Bank borrowings and lease liabilities represent the gross amount

3.2 Fair value estimation

The fair value of financial statements traded in active markets is based on quoted market prices at the end of reporting date. 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 prices used in the financial assets held by the group is the current bid. 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 on an active market is determined using valuation techniques. These valuation techniques maximises 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.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each end of reporting date. The nominal values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

3.3 Biological assets

The Group is exposed to fluctuation in the price of sugar and the incidence of exchange rate. This risk affects both the crops and the fair value of biological assets. This risk is not hedged.

3.4 Capital risk management

The Group's objectives when managing capital are:

- to safeguard the entity'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 by pricing products and services commensurately with the level of risk.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.4 Capital risk management (cont'd)

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the 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 to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to capital. Net debt is calculated as total debts (as shown in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (that is share capital, retained earnings and revaluation reserves).

During 2023, the Group's strategy, which was unchanged from 2022, was to monitor the debt to capital ratio in order to secure access to finance at a reasonable cost. The debt-to-capital ratios at June 30, 2023 and 2022 were as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Lease liabilities (note 6A)	14,131	10,443	11,019	6,339
Borrowings (note 23)	782,596	479,916	660,692	358,062
Bank overdraft (note 23A)	134,681	239,795	34,544	64,822
Total debt	931,408	730,154	706,255	429,223
Less cash and cash equivalents (note 36(b))	(25,429)	(23,677)	(6,760)	(4,238)
	905,979	706,477	699,495	424,985
Total equity	3,169,915	3,106,909	2,866,146	2,822,646
Debt-to-capital ratio	29%	23%	24%	15%

There were no changes in the Group's approach to capital risk management during the year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Consumable biological assets

The fair value of consumable biological assets have been arrived at by discounting the present value (PV) of the expected net cash flows from biological assets at the relevant market determined pre-tax rate.

The expected cash flows of the standing canes have been computed by estimating the expected crop and the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct expenses are based on the yearly budgets of the Group.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.1 Critical accounting estimates and assumptions (cont'd)****(b) Consumable biological assets (cont'd)**

The expected cash flow of palm have been computed by estimating expected crop and the expected market price at which the palm will be sold in the coming year. The direct costs are based on the yearly budget prepared by the Company.

The expected cash flow for deer is based on the estimated weight of meat to be sold from the estimate herd of deer and the estimated selling price less 15% shares for hunters.

The expected cash flow from the sales of grass is based on area of plantation valued at net estimated contribution per m2.

The expected cash flow from the sales of plant is based on future sales price of different type of plants available for sales.

(c) Pension benefits

The present value of the pension obligations depend 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 high-quality corporate bonds 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 liability.

Other key assumptions for pension obligations are based in past on current market conditions. Additional information is disclosed in Note 24.

(d) 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 profit or loss. In addition, it measures the land at revalued amount with changes in fair value recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at June 30, 2022. For the investment property the valuer used open market value.

(e) 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 using valuation techniques including earnings, net asset value or discounted cash flows, whichever is considered to be 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.

(f) Joint arrangement

In determining the type of joint arrangement in which it is involved, management considers its right and obligations arising from the arrangement. The entity assesses its right and obligations by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, where relevant, other facts and circumstances.

(g) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)(g) Limitation of sensitivity analysis (cont'd)

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

(h) 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 disposal of similar assets.

(i) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(j) Deferred tax on revaluation of investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties the directors reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted.

(k) Contract costs

Contract costs are usually recognised as an expense in the statement of profit or loss in the accounting period in which the work to which they relate is performed. Where the contract costs attributable to the contract can be clearly identified but for which no invoice has been received yet, an estimate of cost is provided for in the financial year in which the cost has been incurred.

Provision in respect of contracts costs are based on best available estimates which may fluctuates. The company reviews and where necessary revises the estimates of the contract costs as the contract progresses.

(l) Identification of performance obligations

Management uses judgement in identifying whether the promises goods or services in a contract represent distinct performance obligations.

(m) Leases

In determining the lease term for the building being rented, management considers the broader economics of its arrangement with the lessor, including economic penalties for the lessor and the Company if the Company were to vacate the leased premise.

(n) Incremental borrowing rate

The present value of lease payment is determined using an incremental borrowing rate, which is the rate that the Company would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The directors use a certain degree of judgement in determining the incremental borrowing rate.

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Notes	Freehold land	Buildings	Agricultural equipment Owned	Transport equipment Owned	Furniture and office equipment	Bearer plants	Non-sugar assets	Asset in progress	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) COST OR VALUATION										
At July 1, 2022		2,141,043	113,818	104,526	48,562	28,297	77,219	50,614	82,011	2,646,090
Additions		-	-	332	368	2,222	-	876	17,490	21,288
Transfer to investment properties	8	(1,092,900)	-	-	-	-	-	-	(74,286)	(1,167,186)
Transfer to/(from) assets		-	17,400	-	-	3,350	-	295	(21,045)	-
Other transfers		-	-	-	-	-	-	-	(3,994)	(3,994)
Disposals		-	-	(17,344)	(7,138)	(91)	-	-	-	(24,573)
Revaluation loss		(39,543)	(33,600)	-	-	-	-	-	-	(73,143)
Translation difference		-	-	-	284	240	-	-	-	524
At June 30, 2023		1,008,600	97,618	87,514	42,076	34,018	77,219	51,785	176	1,399,006
DEPRECIATION										
At July 1, 2022		-	32,534	84,195	46,842	12,663	77,219	30,011	-	283,464
Charge for the year		-	19,986	2,110	3,144	2,974	-	3,169	-	31,383
Disposals		-	-	(7,264)	(5,244)	(39)	-	-	-	(12,546)
Revaluation adjustment	5(i)	-	(39,239)	-	-	-	-	-	-	(39,239)
Translation difference		-	-	12	351	56	-	12	-	431
At June 30, 2023		-	13,281	79,053	45,094	15,654	77,219	33,192	-	263,493
CARRYING AMOUNT										
At June 30, 2023		1,008,600	84,338	8,461	(3,018)	18,364	-	18,592	176	1,135,513

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Notes	Freehold land Rs'000	Buildings Rs'000	Agricultural equipment Owned Rs'000	Transport equipment Owned Rs'000	Furniture and office equipment Rs'000	Bearer plants Rs'000	Non-sugar assets Rs'000	Asset in progress Rs'000	Total Rs'000
(b) COST OR VALUATION										
At July 1, 2021		2,139,535	173,495	105,883	11,645	26,662	77,219	48,090	17,388	2,599,917
Additions		-	16	531	493	1,899	-	2,571	72,759	78,269
Transfer to investment properties	8	-	(67,829)	-	-	-	-	-	-	(67,829)
Transfer to/(from) assets		-	8,136	-	-	-	-	-	(8,136)	-
Transfer from Rights-of-Use Assets	6	-	-	-	39,759	-	-	-	-	39,759
Disposals		-	-	(1,888)	(3,666)	(499)	-	(47)	-	(6,100)
Translation difference		1,508	-	-	331	235	-	-	-	2,074
At June 30, 2022		2,141,043	113,818	104,526	48,562	28,297	77,219	50,614	82,011	2,646,090
DEPRECIATION										
At July 1, 2021		-	25,123	83,612	9,997	9,763	77,219	26,512	-	232,226
Charge for the year		-	7,411	2,471	3,524	2,902	-	3,533	-	19,841
Disposals		-	-	(1,888)	(3,666)	(28)	-	(34)	-	(5,616)
Transfer from Rights-of-Use Assets	6	-	-	-	36,674	-	-	-	-	36,674
Translation difference		-	-	-	313	26	-	-	-	339
At June 30, 2022		-	32,534	84,195	46,842	12,663	77,219	30,011	-	283,464
CARRYING AMOUNT										
At June 30, 2022		2,141,043	81,284	20,331	1,720	15,634	-	20,603	82,011	2,362,626

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

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

THE COMPANY	Note	Freehold land	Buildings	Agricultural equipment	Transport equipment	Furniture and office equipment	Bearer plants	Non-sugar assets	Assets in progress	Total
		Rs'000	Rs'000	Owned	Owned	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(c) COST OR VALUATION										
At July 1, 2022		2,136,043	91,751	104,526	54,951	17,168	77,219	50,614	81,835	2,614,107
Additions		-	-	332	-	1,023	-	876	17,490	19,721
Transfer to investment property	8	(1,092,900)	-	-	-	-	-	-	(74,286)	(1,167,186)
Transfer to/(from) asset		-	17,400	-	-	3,350	-	295	(21,045)	-
Other transfers		-	-	-	-	-	-	-	(3,994)	(3,994)
Revaluation loss		(39,543)	(33,600)	-	-	-	-	-	-	(73,143)
Disposals		-	-	(17,344)	-	-	-	-	-	(17,344)
At June 30, 2023		1,003,600	75,551	87,514	54,951	21,541	77,219	51,785	-	1,372,161
DEPRECIATION										
At July 1, 2022		-	30,497	84,195	49,281	9,390	77,219	30,008	-	280,590
Charge for the year		-	8,742	2,110	1,635	1,706	-	3,169	-	17,362
Disposal		-	-	(7,264)	-	-	-	-	-	(7,264)
Revaluation adjustment		-	(39,239)	-	-	-	-	-	-	(39,239)
At June 30, 2023		-	-	79,041	50,917	11,096	77,219	33,177	-	251,449
CARRYING AMOUNT										
At June 30, 2023		1,003,600	75,551	8,473	4,035	10,445	-	18,608	-	1,120,712

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

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

THE COMPANY	Note	Freehold land	Buildings	Agricultural equipment	Transport equipment	Furniture and office equipment	Bearer plants	Non-sugar assets	Assets in progress	Total
		Rs'000	Rs'000	Owned	Owned	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(d) COST OR VALUATION										
At July 1, 2021		2,136,043	83,599	105,883	18,470	16,673	77,219	48,090	17,212	2,503,189
Additions		-	16	531	202	495	-	2,571	72,759	76,574
Transfer to asset		-	8,136	-	-	-	-	-	(8,136)	-
Transfer from Right-of-Use assets	6	-	-	-	39,759	-	-	-	-	39,759
Disposals		-	-	(1,888)	(3,480)	-	-	(47)	-	(5,415)
At June 30, 2022		2,136,043	91,751	104,526	54,951	17,168	77,219	50,614	81,835	2,614,107
DEPRECIATION										
At July 1, 2021		-	23,087	83,612	12,970	7,541	77,219	26,509	-	230,938
Charge for the year		-	7,410	2,471	3,117	1,849	-	3,533	-	18,380
Transfer from Right-of-Use assets	6	-	-	-	36,674	-	-	-	-	36,674
Disposal adjustment		-	-	(1,888)	(3,480)	-	-	(34)	-	(5,402)
At June 30, 2022		-	30,497	84,195	49,281	9,390	77,219	30,008	-	280,590
CARRYING AMOUNT										
At June 30, 2022		2,136,043	61,254	20,331	5,670	7,778	-	20,606	81,835	2,333,517

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

- (i) The Group's and Company's freehold land and buildings as well as buildings on leasehold land are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements were performed in accordance with the 'RICS Valuation Standards' by accredited independent valuers namely Ramiah-Isabel Consultancy Ltd. The valuers have the appropriate qualifications and experience in the fair value measurements of properties in the relevant locations.

Land and buildings leased to subsidiaries within the Group are valued every 3 to 4 years unless there is evidence that the fair value of the assets differs materially from the carrying amount. The valuation of these properties was performed as at 30 June 2023.

The fair value of the land and buildings has been assessed on the basis of its market value, being the estimated amount for which the property could be exchanged between knowledgeable willing parties in an arm's length transaction and taking into account the current market conditions and similar transactions undertaken in recent years. In arriving at the market value, the sales comparison approach has been used for the land, which is based on recent transactions for similar properties, and the depreciated replacement cost approach has been used for the buildings (including production infrastructure) which estimates the value by computing the current cost of replacing a property less any depreciation resulting from physical, functional and economic obsolescence factors. Land and buildings that are leased have been fair valued using the income approach by reference to the capitalisation rate on net operating income or based on discounted cash flows, the highest and best use of the properties being their current use. The revaluation surplus was credited to revaluation reserves.

- (ii) If the assets were stated on the historical cost basis, the amounts would have been as follows:

	2023			2022		
	Land	Buildings	Total	Land	Buildings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP						
Cost	38,104	53,834	91,938	38,104	36,434	74,538
Accumulated depreciation	-	(31,833)	(31,833)	-	(23,091)	(23,091)
Net book value	<u>38,104</u>	<u>22,001</u>	<u>60,105</u>	<u>38,104</u>	<u>13,343</u>	<u>51,447</u>
THE COMPANY						
Cost	38,104	53,834	91,938	38,104	36,434	74,538
Accumulated depreciation	-	(31,833)	(31,833)	-	(23,091)	(23,091)
Net book value	<u>38,104</u>	<u>22,001</u>	<u>60,105</u>	<u>38,104</u>	<u>13,343</u>	<u>51,447</u>

- (iii) The above property, plant and equipment have been pledged as security for the bank overdrafts and the bank loans of the group.
- (iv) Details of Group/Company's freehold land and buildings measured at fair value and information about the fair value

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Level 3				
Freehold land	1,008,600	2,136,043	1,003,600	2,136,043
Buildings	<u>84,338</u>	<u>81,284</u>	<u>75,551</u>	<u>61,253</u>
	<u>1,092,938</u>	<u>2,217,327</u>	<u>1,079,151</u>	<u>2,197,296</u>

- (v) Bearer biological assets represents plantation expenditure for coffee that have an expected live cycle of approximately 20 years. Such biological assets are measured at cost (direct costs incurred including cost of purchase if any) less any accumulated depreciation and any accumulated impairment losses.

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

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

Information about fair value measurements using significant unobservable inputs

Level 3	Significant unobservable input	Range of unobservable inputs
Land	Price per Arpent	Rs.100,000 to Rs.12.25m
Building	Price per square metre	Rs.1,500 to Rs.75,000

Significant increases/decreases in estimated price per arpent/per square metre in isolation would result in a significantly higher/lower fair value.

Valuation technique	Significant unobservable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Land: Sales Comparison method: The model considers adequate market evidences of sales for agricultural properties, more specifically those under sugarcane cultivation in different localities of the island.	Expected growth in prices of agricultural properties Future developments in Bel Ombre.		The estimated fair value would increase (decrease) if expected growth in prices of agricultural properties were higher (lower) future developments occur (do not occur)
Building improvements: Depreciated Replacement Cost (DRC): The DRC is arrived at by using the current construction costs of similar buildings based on our experience and knowledge of the construction sector and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level and quality of maintenance.	Expected price increase in construction materials Expected growth in interest rates		The estimated fair value would increase (decrease) if: expected price of construction materials increase/(decrease) interest rates increase/(decrease)

6. RIGHT-OF-USE ASSETS

	Leasehold rights	Motor vehicles - leased	Total
	Rs'000	Rs'000	Rs'000
THE GROUP			
<u>COST</u>			
At July 01, 2021	104,333	57,591	161,924
Additions	-	8,826	8,826
Transfer to Property, Plant and Equipment	-	(39,759)	(39,759)
Translation difference	1,559	187	1,746
At June 30, 2022	105,892	26,845	132,737
Additions	-	8,311	8,311
Translation difference	1,996	194	2,190
At June 30, 2023	107,888	35,350	143,238
<u>ACCUMULATED DEPRECIATION</u>			
At July 01, 2021	15,649	49,835	65,484
Charge for the year	1,750	2,931	4,681
Translation difference	-	-	-
Transfer to Property, Plant and Equipment	-	(36,674)	(36,674)
At June 30, 2022	17,399	16,092	33,491
Charge for the year	3,750	2,513	6,263
Translation difference	144	68	212
At June 30, 2023	21,293	18,673	39,966
<u>CARRYING AMOUNT</u>			
At June 30, 2023	86,595	16,677	103,272
At June 30, 2022	88,493	10,753	99,246

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

6. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold rights Rs'000	Motor vehicles Leased Rs'000	Total Rs'000
THE COMPANY			
<u>COST</u>			
At July 1, 2021	54,000	43,176	97,176
Additions	-	6,802	6,802
Transfer to Property, plant and equipment	-	(39,759)	(39,759)
At June 30, 2022	54,000	10,219	64,219
Additions	-	6,380	6,380
At June 30, 2023	54,000	16,599	70,599
<u>ACCUMULATED DEPRECIATION</u>			
At July 1, 2021	8,100	39,381	47,481
Transfer to Property, plant and equipment	-	(36,674)	(36,674)
Charge for the year	900	1,058	1,958
At June 30, 2022	9,000	3,765	12,765
Charge for the year	900	2,106	3,006
At June 30, 2023	9,900	5,871	15,771
<u>CARRYING AMOUNT</u>			
At June 30, 2023	44,100	10,728	54,828
At June 30, 2022	45,000	6,454	51,454

Lease rights relates to rights acquired in respect of land for a period of 60 years.

The Group and the Company leases motor vehicles. The average lease term is 2 years.

Amounts recognised in profit and loss

THE GROUP AND THE COMPANY	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Depreciation expense on right-of-use assets	6,263	4,681	3,006	1,958
Interest expense on lease liabilities	2,292	281	642	51

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

6A. LEASE LIABILITIES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
At July 1	10,443	4,796	6,339	755
Additions	6,319	8,404	6,319	6,396
Interest expense	1,952	371	642	142
Repaid during the year	(6,621)	(3,234)	(2,281)	(954)
Exchange difference	2,038	106	-	-
At June 30	14,131	10,443	11,019	6,339
<u>Analysed as:</u>				
Non-current	9,529	7,242	8,538	5,355
Current	4,602	3,201	2,481	984
	14,131	10,443	11,019	6,339
(a) Maturity analysis				
Year 1	3,293	3,345	2,481	884
Year 2	3,277	2,782	2,481	938
Year 3	3,086	951	2,481	996
Year 4	2,870	1,010	2,449	1,058
Year 5	901	1,034	901	1,083
> 5 years	704	1,321	226	1,381
	14,131	10,443	11,019	6,340

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(b) Finance leases and concessions commitment

There is no restriction imposed on the Group and the Company by lease arrangements.

(c) Nature of leasing activities (in the capacity as lessee)

The Company has leased motor vehicle. The lease contract provides for fixed payment over the duration of the lease period.

(d) Residual value guarantees

At the end of the reporting period, no expected residual values was expected to be payable as part of the lease liability.

(e) Interest Expense

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Interest expense	1,952	371	642	142

The total cash outflow for leases (including interest) in 2023 was Rs'000 6,621(2022: Rs'000 2,863) for the group and Rs'000 2,281 (2022: Rs'000 954) for the company.

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

7. DEFERRED EXPENDITURE

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1	-	11,998	-	-
Additions	3,951	-	3,951	-
Transferred to inventories	-	(10,569)	-	-
Released during the year	-	(5,821)	-	-
Translation difference	-	4,392	-	-
At June 30	3,951	-	3,951	-

- (i) Deferred expenditure relates mainly to professional fees incurred on sales of land and villas. They are released to profit or loss based on stage of completion of the construction of villas.
- (ii) Costs incurred for development of infrastructure, initially classified under deferred expenditure in 2018, have been reclassified to inventory to conform with changes in presentation.

8. INVESTMENT PROPERTIES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Fair value model</u>				
At July 1	621,036	958,715	472,331	472,331
Additions	85,819	-	85,819	-
Development for future use	40,894	-	40,894	-
Transfer from property, plant and equipment - Freehold land (Note 5)	1,092,900	67,829	1,092,900	-
Transfer from property, plant and equipment - Assets in progress (Note 5)	74,286	-	74,286	-
Transfer to Inventories (Note 15)	-	(436,804)	-	-
Reversal of retention monies	-	(2,472)	-	-
Change in fair value	201,879	21,529	203,400	-
Translation difference	5,503	12,239	-	-
At June 30	2,122,317	621,036	1,969,630	472,331

- (a) The fair value of investment properties of the holding company as at June 30, 2023 was confirmed by external, independent property valuers, Mr Marie F. Ricardo Ramiah-Isabel, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.
- (b) Significant unobservable input includes the price per arpent for the land which is Rs 4,495,000. Had the price per arpent been 5% higher/lower, the impact of the fair value of investment properties and profit for the year would have been Rs 224,750 (2022: Rs 478,400) higher/lower.

Significant unobservable input includes the following:

	MUR
Land (Price per arpent)	400,000 - 20,000,000
Building (Rate/sq.ft)	1,800 - 20,000
Capitalisation rate	

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

8. INVESTMENT PROPERTIES (CONT'D)

- (b) The freehold land for the beach club was revalued on June 30, 2023 by Ramiah - Isabel Consultancy Ltd, an independent professionally qualified valuer, on an open market value basis using the 'Direct Market Comparison' approach which is based on recent transactions for similar properties. Where comparables are not available, then the best-suited comparables are used and adjusted for date of transaction, geographical location, use, size, shape, fontage, access, site constraints, planning restrictions etc. Significant unobservable input for the land of Place du Moulin, includes the price per arpent which is Rs 20,000,000 (2022: Rs 12,000,000). The fair value movement was credited to the statement of profit or loss. Had the price per arpent been 5% higher/lower, the impact of the fair value of investment properties and profit for the year would have been Rs 1,000,000 (2022: Rs 600,000) higher/lower.

- (c) The following amounts have been recognised in profit or loss:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Rental income	8,784	8,521
Direct operating expenses arising from investment		
Properties that generate rental income	(572)	(572)
	<u>8,212</u>	<u>7,949</u>

Valuation technique Significant unobservable inputs	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Land: Sales Comparison method: The model considers adequate market evidences of sales for agricultural properties, more specifically those under sugarcane cultivation in different localities of the island	Expected growth in prices of properties. Future developments in the Bel Ombre region.	The estimated fair value would increase/(decrease) if: - expected growth in prices of properties were higher/(lower) future developments occur/(do not occur).
Building improvements: Depreciated Replacement Cost (DRC): The DRC is arrived at by using the current construction costs of similar buildings based on our experience and knowledge of the construction sector and adjusting for depreciation resulting from one or more of the following factors: Physical deterioration, functional obsolescence, external (or economic) obsolescence, renovation works, level and quality of maintenance.	Expected price increase in construction materials Expected growth in interest rates	The estimated fair value would increase/(decrease) if: - expected price of construction materials increase/(decrease) - interest rates increase/(decrease)

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

- (c) The following amounts have been recognised as investment properties

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Level 3</u>				
Building	322,231	360,434	322,231	322,231
Land	1,800,086	260,602	1,647,400	150,100
Total	<u>2,122,317</u>	<u>621,036</u>	<u>1,969,631</u>	<u>472,331</u>

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

8. INVESTMENT PROPERTIES (CONT'D)

- (d) Bank borrowings are secured by floating charges on the assets of the Group including investment property (note 23).

9. INTANGIBLE ASSETS

THE GROUP	Trading rights Rs'000	Software Rs'000	Total Rs'000
<u>COST</u>			
At July 01, 2021	8,624	6,742	15,366
Discontinued operations	-	(4,164)	(4,164)
Translation difference	-	25	25
At July 1, 2022	8,624	2,603	11,227
Additions	-	392	392
Write-off	(8,624)	(2,603)	(11,227)
At June 30, 2023	-	392	392
<u>AMORTISATION</u>			
At July 01, 2021	8,624	2,163	10,787
Charge for the year	-	307	307
At June 30, 2022	8,624	2,470	11,094
Charge for the year	-	-	-
Write off	(8,624)	(2,470)	(11,094)
At June 30, 2023	-	-	-
<u>CARRYING AMOUNT</u>			
At June 30, 2023	-	392	392
At June 30, 2022	-	133	133

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

9. INTANGIBLE ASSETS (CONT'D)

THE COMPANY	Trading rights Rs'000	Software Rs'000	Total Rs'000
<u>COST</u>			
At July 1, 2021	8,624	2,164	10,788
Additions	-	133	133
At July 1, 2022	8,624	2,297	10,921
Additions	-	392	392
Write-off	(8,624)	(2,297)	(10,921)
At June 30, 2023	-	392	392
<u>AMORTISATION</u>			
At July 1, 2021	8,624	1,857	10,481
Charge for the year	-	307	307
At June 30, 2022	8,624	2,164	10,788
Charge for the year	-	-	-
Write off	(8,624)	(2,164)	(10,788)
At June 30, 2023	-	-	-
<u>CARRYING AMOUNT</u>			
At June 30, 2023	-	392	392
At June 30, 2022	-	133	133

10. INVESTMENTS IN SUBSIDIARY COMPANIES

THE COMPANY

Unquoted

At July 1,
Increase in fair value

At June 30,

	2023 Rs'000	2022 Rs'000
	146,601	70,261
	10,400	76,340
	157,001	146,601

The fair value of the investment in subsidiaries has been based on a combination of the discounted cash flow technique for its subsidiaries' operations and value of undeveloped land and its fair value hierarchy is included in level 3.

(a) The subsidiaries are listed below:

Name of company	Main business activity	Year ended	Class of Shares held	Country of incorporation and operation	Stated capital	2023		2022		Proportion of ownership interests held by non-controlling interests
						Direct	Indirect	Direct	Indirect	%
Les Villas de Bel Ombre Ltée	Property development	June 30	Ordinary	Mauritius	USD 14,703,769	60	-	60	-	40
Les Villas de Bel Ombre Amenities Ltd	Property development	June 30	Ordinary	Mauritius	USD 1,000	-	60	-	60	40

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

10. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Summarised financial information on subsidiaries with material non-controlling interests

Details for subsidiaries that have non-controlling interests that are material to the Company:

<u>2023</u>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2023

10. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

(ii) Summarised cash flow information:

	Operating activities	Investing activities	Financing activities	Net increase in cash and cash equivalents
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Les Villas de Bel Ombre Ltée	<u>87,365</u>	<u>(955)</u>	<u>(4,049)</u>	<u>82,361</u>
2022				
Les Villas de Bel Ombre Ltée	<u>160,932</u>	<u>(1,051)</u>	<u>(9,590)</u>	<u>150,291</u>

The summarised financial information above is the amount before intra-group eliminations.

11. INVESTMENT IN ASSOCIATED COMPANY

(a) (i) Results of associate included in the consolidated financial statements

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Unquoted		
At July 1	18,964	17,155
Share of profit	3,917	2,409
Dividends	(471)	(600)
At June 30	<u>22,410</u>	<u>18,964</u>

(ii) In separate financial statements of the investor

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Fair value		
At July 1	14,400	18,449
Fair value movement	1,900	(4,049)
At June 30	<u>16,300</u>	<u>14,400</u>

The fair value of the investment was based on a combination of net assets and capitalised earnings.

11. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

(b) Details of the associate at the end of the reporting period is as follows:

Name of corporation	Year end	Nature of business	Principal place of business	Country of incorporation	Proportion of ownership interest	
					Direct 2023	Direct 2022
Sainte Marie Crushing Plant Limited	June 30	Manufacture and sale of aggregates and blocks	Bel Ombre	Mauritius	23.53%	23.53%

(i) The associate is accounted for using the equity method.

(ii) The above company is a private company and there is no quoted market price available for its shares and is included in Level 3 fair value hierarchy.

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

11. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

(c) Summarised financial information in respect of the associate is set out below:

	Assets		Liabilities		Revenue	Profit/(loss) from continued operation	Other Comprehensive income	Total Comprehensive income	Dividends received
	Current	Non current	Current	Non current					
2023	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Sainte Marie Crushing Plant Limited	22,578	97,743	16,335	8,746	109,064	10,853	-	10,853	471

	Assets		Liabilities		Revenue	Profit/(loss) from continued operation	Other Comprehensive income	Total Comprehensive income	Dividends received
	Current	Non current	Current	Non current					
2022	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Sainte Marie Crushing Plant Limited	25,194	92,011	27,404	9,713	101,398	10,238	-	10,238	600

11. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

(d) Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount recognised in the financial statements:

	Opening net assets	Adjustment	Profit/ (loss)	Other comprehensive income	Closing net assets	Ownership interest	Interest in associate	Goodwill	Carrying value
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	%	Rs'000	Rs'000	Rs'000
2023									
Sainte Marie Crushing Plant Limited	80,595	3,792	10,853	-	95,240	23.53	22,410	-	22,410
2022									
Sainte Marie Crushing Plant Limited	72,907	(2,550)	10,238	-	80,595	23.53	18,964	-	18,964

The summarised financial information above represents amounts shown in the associate's financial statements prepared in accordance with IFRS, adjusted for equity accounting purposes such as fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies.

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

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(i) Equity investments at fair value through other comprehensive income:

	THE GROUP AND THE COMPANY		
	DEM quoted Rs'000	Unquoted Rs'000	Total Rs'000
2023			
<u>Non-current</u>			
At July 1,	6	355,972	355,978
Changes in fair value recognised in OCI	(1)	1,074	1,073
At June 30,	5	357,046	357,051
2022			
<u>Non-current</u>			
At July 1,	5	291,099	291,104
Reclassification from financial assets at amortised costs	-	1,692	1,692
Changes in fair value recognised in OCI	1	63,181	63,182
At June 30,	6	355,972	355,978

- (ii) The equity securities are financial assets held in companies incorporated in Mauritius and are denominated in Mauritian Rupees.
- (iii) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments.
- (iv) The fair value of quoted securities is based on published market prices. The fair value of the unquoted securities are based on the discounted cash flow technique and net assets values of the investee companies.
- (v) Fair value of other comprehensive income financial assets include the following:

	2023 Rs'000	2022 Rs'000
<u>DEM quoted- Level 1</u>		
- United Investment Ltd	5	6
<u>Unquoted- Level 3</u>		
- Rogers Hospitality Operations Limited	349,900	354,000
- Ecocentre Ltd	30	30
- Green Mountain Ltd	7,116	1,692
- Librairies Seneque Lenoir	-	250
	357,051	355,978

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

13. FINANCIAL ASSETS AT AMORTISED COST

	2023		2022	
	THE GROUP Rs'000	THE COMPANY Rs'000	THE GROUP Rs'000	THE COMPANY Rs'000
Loan to related parties	108,808	8,593	101,543	8,563
Non-current	76,918	8,593	83,333	8,563
Current	31,890	-	18,210	-
	108,808	8,593	101,543	8,563

This consists of the following:

(i) Loan advanced to Green Mountain Limited - Rs'000 8,593 (2022: Rs'000 8,563)

Interest on loan given to Green Mountain Limited is charged at USD 3 month LIBOR +2% p.a.

(ii) Loan to Jacotet Bay Ltd - Rs'000 89,538 (2022: Rs'000 66,225)

Based on the shareholders loan agreement, the loan to related company is repayable on realisation of the villa construction projects. The rate of interest on the loan is 3.5% p.a.

(iii) Loan to FMVV Immobilier Ltée - Rs'000 10,500 (2022: Rs'000 Nil)

Short term loan to FMVV Immobilier Ltée and interest receivable.

(iv) The Company's risk exposure that is directly affected by the LIBOR reform predominantly comprises its variable rate borrowings that are linked to the LIBOR. Three-month, six-month, and twelve-month USD LIBOR will cease publication after June 30, 2023, and it is expected to be replaced by the appropriate alternative reference rate. The Company has variable rate USD loan receivables which references to LIBOR and matures based on a maturity date. The Company's communications with the counterparties are ongoing, but specific changes required by IBOR reform have not yet been agreed. The expected transition from LIBOR to the appropriate alternative reference rate is not expected to have an effect on the amounts reported for the current and prior financial years. As at reporting date, the company expects the affected loan receivables to transition to alternative interest rate benchmarks by the end of 2022.

Impairment and risk exposure

The financial assets at amortised cost are denominated in the following currencies:

	2023		2022	
	THE GROUP Rs'000	THE COMPANY Rs'000	THE GROUP Rs'000	THE COMPANY Rs'000
US Dollar	108,808	8,593	101,543	8,563

There is no exposure to price risk as these loan advanced will be held to maturity.

These assets are carried at amortised cost and are required to be tested for impairment. The credit assessment is based on future cash flow forecasts and available support from the intermediate parent company. The probability of default is considered insignificant and therefore directors have not recognised the loss allowance as the amount is immaterial.

14. INVESTMENT IN JOINT VENTURES

	THE GROUP	
	2023 Rs'000	2022 Rs'000
At July 1	39,049	40,775
Share of loss	(2,534)	(1,726)
At June 30	36,515	39,049

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

14. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) Details of the joint ventures at the end of the reporting period are as follows:

Name of joint venture	Principal activity	Country of incorporation and place of business	Proportion of voting rights	
			2023	2022
Jacotet Bay Limited	Real estate	Mauritius	50%	50%
FMVV Immobilier Ltée	Real estate	Mauritius	50%	50%

Both Jacotet Bay Limited and FMVV Immobilier Ltée are private companies and there are no quoted market prices available for their shares.

(b) Summarised financial information

Summarised financial information in respect of the Group's material joint ventures are set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with applicable accounting standards.

Summarised statement of financial position

	FMVV Immobilier Ltée		Jacotet Bay Limited	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Current assets	83,873	85,263	226,537	327,902
Non-current assets	22,930	11,363	-	-
Current liabilities	12,471	1,465	98,949	100,397
Non-current liabilities	31,317	17,067	234,516	310,639

The above amounts of assets and liabilities include the following:

	FMVV Immobilier Ltée		Jacotet Bay Limited	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Cash and cash equivalents	(1,246)	70,164	(53,959)	22,561
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	72,450
Non-current financial liabilities (excluding trade and other payables and provisions)	21,317	17,067	234,516	310,639

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

14. INVESTMENT IN JOINT VENTURES (CONT'D)

(b) Summarised financial information (cont'd)

Summarised statement of profit or loss and other comprehensive income

	FMVV Immobilier Ltée		Jacotet Bay Limited	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
(Loss)/Profit from continuing operations	(1,637)	(3,452)	(20,756)	1,508
(Loss)/Profit for the year	(1,637)	(3,452)	(20,756)	1,508
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	(1,637)	(3,452)	(20,756)	1,508
The above loss for the year include the following:				
Depreciation and amortisation	-	-	-	(48)
Interest expense	(363)	(192)	(15,710)	(7,155)

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the financial statements:

	FMVV Immobilier Ltée	Jacotet Bay Limited	Total
	Rs'000	Rs'000	Rs'000
2023			
At July 1	39,049	-	39,049
Loss for the year	(2,534)	-	(2,534)
Closing net assets	36,515	-	36,515
Interest in joint venture (50%) limited to nil			
Additions	-	-	-
Carrying amount of the Group's interest in the joint venture	36,515	-	36,515
		2023	2022
		Rs'000	Rs'000
The unrecognised share of loss of a joint venture for the year		34,980	34,980
Cumulative share of loss of a joint venture		8,161	8,161

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

14. INVESTMENT IN JOINT VENTURES (CONT'D)

Reconciliation of summarised financial information

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the financial statements:

	FMVV Immobilier Ltée Rs'000	Jacotet Bay Limited Rs'000	Total Rs'000
2022			
At July 1	40,775	-	40,775
Loss for the year	(1,726)	-	(1,726)
Closing net assets	39,049	-	39,049
Interest in joint venture (50%) limited to nil			
Additions	-	-	-
Carrying amount of the Group's interest in the joint venture	39,049	-	39,049

Classification of Jacotet Bay Limited and FMVV Immobilier Ltée as a joint venture

Jacotet Bay Limited and FMVV Immobilier Ltée are limited liability companies whose legal form confers separation between the parties to the joint arrangements and the Group itself. There is no contractual agreement that indicates that the parties to the joint arrangements have rights to the assets and obligations for the liabilities of the joint arrangements. Accordingly, they have been classified as joint ventures.

At June 30, 2023, the joint ventures had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

15. INVENTORIES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Land	483,421	170,535	-	-
Transfer from investment property (note 8)	-	436,804	-	-
Transfer from deferred expenditure (note 7)	-	10,569	-	-
Spare parts, fertilisers and fuel (at cost)	5,814	5,735	5,814	5,735
	489,235	623,643	5,814	5,735

The cost of inventories recognised as expense and included in cost of sales amounted to Rs'000 138,333 (2022: Rs'000 175,435).

Bank borrowings are secured by floating charges on the assets of the group including inventories.

16. CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP AND THE COMPANY	
	2023 Rs'000	2022 Rs'000
At July 1,	61,160	69,057
Movement in fair value	532	(7,897)
At June 30,	61,692	61,160

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

16. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

- (a) Consumable biological assets are stated at their fair values. These include standing canes, deer farming, palm plants, nursery plant and grass.
- (b) The fair value measurements for standing canes have been categorised as Level 3 fair values as there are significant adjustments made in the fair values adjustments.

The most significant unobservable inputs for the valuation are as follows:

Description	2023	2021
	Input	Input
Extraction rate	9.77%	10.25%
Price of sugar per ton	Rs. 25,554	Rs.22,366
Discount rate	6.0%	6.0%

The fair value measurements for standing crops, deers, palm trees, plants and grass have been categorised as Level 3 fair values based on the inputs to the valuation techniques used and based on observable market sales data, adjusted for market conditions, as described below.

At June 30, 2023, standing canes are no more operational (2022 - 261 hectares).

During the year, the Company harvested approximately 635 tonnes of canes (2022 : 12,295 tonnes).

- (c) The physical quantities of other consumable biological assets are as follows:

	2023	2022
Deer	3,207	3,112
Palm trees	108,435	101,754
Nursery plants	75,401	86,535
Open ground nursery	132	1,311
Grass (m2)	64,214	59,213

- (d) Risk management strategy related to agricultural activities

The Group is exposed to the following risks associated with its agricultural activities namely standing crop, deer farming and palm trees.

- (i) *Demand and supply risk*

The Group is exposed to risks arising from fluctuations in the price and sales volume of standing crop, deer farming and palm trees. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analysis for projected harvest volumes and pricing.

- (ii) *Climate and other risk*

The Group's standing crop and palm trees plantations and deer farming are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys. The Group also insured against natural disasters such as forest fires, floods and cyclones.

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

16. CONSUMABLE BIOLOGICAL ASSETS (CONT'D)

(e) Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Standing cane	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by sugarcane plantation.	Estimated future price of Sugar per tonne- Rs 25,554 (2022:Rs 22,366). Extraction rate per tonne-10.25% (2022: 10.25%).	The estimated fair value would increase/(decrease) if: Expected income from Sugar were higher/(lower) Costs were lower/(higher).
Palms	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by Palm over the next 5 years.	Estimated average price of palms - Rs 435 per palm tree (2022: Rs 371)	The estimated fair value would increase (decrease) if: Expected selling price were higher/(lower) Costs were lower/(higher).
Nursery Plants	Net Realisable Value	Future selling price of different type of plants.	The estimated fair value would increase (decrease) if: Expected selling price were higher/(lower) Costs were lower/(higher).
Grass	Net Realisable Value	Estimated future contribution of grass- Rs 57 (2022: Rs 57).	The estimated fair value would increase (decrease) if: Expected selling price were higher/(lower) Costs were lower/(higher).
Deer	Net Realisable Value	Average weight of deer- 45 kg and 35 kg for local breed (2022: 45 kg and 35 kg for local breed). Average price of deer per Kg- Rs 180 (2022: Rs 180).	The estimated fair value would increase (decrease) if: Expected weight per deer were higher/(lower) Selling price higher/(lower).

17. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Trade receivables	58,423	86,575	21,236	18,135
Less: provision for impairment	(36,795)	(48,802)	(3,972)	(9,400)
Trade receivables - net	21,628	37,773	17,264	8,735

(i) *Impairment of trade receivables*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

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

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The expected loss rates are based on the payment profiles of sales over a period of 3 years before June 30, 2022 or July 1, 2021 respectively and the corresponding historical credit losses experienced previously. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customer to settle the receivables.

On that basis, the loss allowance as at June 30, 2023 and July 1, 2022 was determined as follows for trade receivables:

THE GROUP

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At June 30, 2023					
Expected loss rate	6%	7%	1%	92%	63%
Gross carrying amount - trade receivable	16,123	2,807	852	38,642	58,423
Loss allowance	967	192	10	35,626	36,795

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1, 2022					
Expected loss rate	7%	48%	61%	72%	56%
Gross carrying amount - trade receivable	21,032	116	173	65,255	86,575
Loss allowance	1,375	55	105	47,266	48,802

THE COMPANY

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At June 30, 2023					
Expected loss rate	7%	7%	1%	52%	19%
Gross carrying amount - trade receivable	11,838	2,807	852	5,740	21,236
Loss allowance	806	192	10	2,964	3,972

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At July 1, 2022					
Expected loss rate	7%	48%	50%	87%	52%
Gross carrying amount - trade receivable	7,891	116	147	9,980	18,135
Loss allowance	583	55	74	8,687	9,400

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

17. TRADE AND OTHER RECEIVABLES (CONT'D)

(i) *Impairment of trade receivables (cont'd)*

The closing loss allowances for trade receivables as at June 30, 2023 reconcile to the opening loss allowances as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1	48,802	44,684	9,400	7,153
Loss allowance recognised in profit or loss during the year	-	4,118	-	2,247
Amount recovered in profit or loss	(12,007)	-	(5,428)	-
At June 30	36,795	48,802	3,972	9,400

(ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

(iii) The carrying amounts of the Group's and the Company's trade receivables approximate their fair values and are denominated by the following currencies:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Mauritian rupee	19,742	8,735	17,264	8,735
USD	1,886	29,038	-	-
	21,628	37,773	17,264	8,735

18. AMOUNTS RECEIVABLE FROM GROUP COMPANIES

	THE GROUP	
	2023	2022
	Rs'000	Rs'000
Associate	-	5,169
Fellow subsidiaries	17,547	991
Common management	208	1,373
Holding company	1,235	-
	18,990	7,533

	THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Associate	-	5,169
Ultimate holding company	1,235	471
Fellow subsidiaries	17,547	991
Subsidiaries	366	881
Entity under common management	207	4,779
	19,355	12,291

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

18. AMOUNTS RECEIVABLE FROM GROUP COMPANIES (CONT'D)

The Group applies IFRS 9 to measure expected credit losses. In assessing the credit risk of related companies, the Group analyses the working capital, historical trend of repayment and cash flows of the parties liable for repayment and also takes into consideration the support from its intermediate parent company of the Group. The intermediate holding company has sufficient liquid assets (without restriction) after considering the priority payments to repay the amount of behalf of related entities either in the form of capital contribution or loan to the related entities. The probability of default is insignificant.

19. PREPAYMENTS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Prepayments	324	6,246	280	6,205

20. OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Other receivables	25,276	21,156	16,675	13,832

21. SHARE CAPITAL

	Number of shares	Ordinary shares	Share premium	Total
		Rs'000	Rs'000	Rs'000
At July 1, 2022 and June 30, 2023	166,500	33,300	39,960	73,260

The total authorised number of ordinary shares is 166,500 (2022: 166,500) with a par value of Rs.200. All issued shares are fully paid.

22. RESERVES

	THE GROUP			
	Revaluation reserves	Fair value reserves	Actuarial losses	Translation of foreign currency Operation
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefits obligations	-	-	18,735	-
Deferred tax relating to retirement benefit obligations	-	-	-	-
Revaluation loss on land and buildings	136,605	-	-	-
Change in use and lapse conversion	(170,509)	-	-	-
Changes in fair value of equity instruments at fair value through other comprehensive income	-	-	-	1,073
	-	1,073	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	-	-	-	6,749
	(33,904)	1,073	18,735	6,749
				(7,347)
2022				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefits obligations	-	-	(5,617)	-
Deferred tax relating to retirement benefit obligations	-	-	887	-
Share of other comprehensive income of associates	-	-	-	-
Changes in fair value of equity instruments at fair value through other comprehensive income	-	63,181	-	-
	-			63,181
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	-	-	-	13,114
	-	63,181	(4,730)	13,114
				71,565

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2022

22. RESERVES (CONT'D)**Revaluation surplus**

The revaluation surplus arises on revaluation of land and building.

Fair value reserve

Fair value reserve comprises the cumulative net change in fair value of financial assets that has been recognised in other comprehensive income until the investments are derecognised or impaired.

Translation of foreign currency translation operations

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a subsidiary denominated in USD.

Actuarial losses

The actuarial losses reserve represents the cumulative measurement of defined benefit obligation recognised.

	THE COMPANY			
	Revaluation surplus	Fair value reserves	Actuarial losses	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefits obligations	-	-	18,143	18,143
Revaluation loss on land and buildings	136,605	-	-	136,605
Change in use and lapse conversion	(170,509)	-	-	(170,509)
Deferred tax relating retirement benefit obligations	-	-	-	-
Changes in fair value of equity instruments at fair value through other comprehensive income	-	13,373	-	13,373
	<u>(33,904)</u>	<u>13,373</u>	<u>18,143</u>	<u>(2,388)</u>

2022*Items that will not be reclassified to profit or loss*

Remeasurement of defined benefits obligations	-	-	(5,220)	(5,220)
Deferred tax relating retirement benefit obligations	-	-	887	887
Changes in fair value of equity instruments at fair value through other comprehensive income	-	135,475	-	135,475
	<u>-</u>	<u>135,475</u>	<u>(4,333)</u>	<u>131,142</u>

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

23. BORROWINGS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Non-current				
Bank loans (note 23(a))	362,945	205,864	324,986	165,393
Other loans (note 23(b))	180,071	207,705	180,090	130,000
	<u>543,016</u>	<u>413,569</u>	<u>505,076</u>	<u>295,393</u>
Current				
Bank loans (note 23(a))	95,580	16,347	11,616	12,669
Other loans (note 23(b))	144,000	50,000	144,000	50,000
	<u>239,580</u>	<u>66,347</u>	<u>155,616</u>	<u>62,669</u>
Total borrowings	<u>782,596</u>	<u>479,916</u>	<u>660,692</u>	<u>358,062</u>

- (a) The bank borrowings are secured by fixed and floating charges on the assets of the Group. The rates of interest on loans vary between 6.75% - 8.50% (2022: 4.10% - 4.25%).
- (b) Other loans consists of loan from ultimate holding company amounting to Rs'000 130,000 (2022: Rs'000 130,000) and are unsecured and interest bearing at 4.25%.
- (c) The maturity of non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
- After one year and before two years	67,846	112,900	29,887	13,538
- After two years and before three years	33,591	36,024	33,610	14,366
- After three years and before five years	204,403	174,436	204,403	159,302
- After five years	237,177	109,220	237,177	109,220
	<u>543,016</u>	<u>432,580</u>	<u>505,076</u>	<u>296,426</u>

- (d) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

	6 months or less Rs'000
<u>The Group</u>	
At June 30, 2023	
Total borrowings	<u>782,596</u>
At June 30, 2022	
Total borrowings	<u>479,916</u>
<u>The Company</u>	
At June 30, 2023	
Total borrowings	<u>660,692</u>
At June 30, 2022	
Total borrowings	<u>358,062</u>

The carrying amounts of non-current borrowings are not materially different from the fair values.

The rates of interest and currency denomination relating to Group's borrowings are disclosed in Note 3.1(b).

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

23 A. BANK OVERDRAFTS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Bank overdrafts (note (a))	134,681	239,795	34,544	64,822

The bank overdrafts are secured by fixed and floating charges on the assets of the Group. The rates of interest on loans vary between 4.5% to 6.75% (2022: 4.10% - 4.25%).

- (a) The exposure of the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	6 months or less			
	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Total bank overdrafts	134,681	239,795	34,544	64,822

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
USD	98,557	174,973	-	-
Mauritian Rupees	36,124	64,822	34,544	64,822
	134,681	239,795	34,544	64,822

24. RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Non-current liabilities</u>				
Amounts recognised on the statement of financial position:				
Defined pension benefit (note 24(a)(ii))	65,183	81,163	65,183	81,163
Other post retirement benefits 24(note (b)(i))	9,377	34,193	7,155	29,433
	74,560	115,356	72,338	110,596
Amounts charged to profit or loss:				
Defined pension benefit (note 24(a)(v))	4,817	3,529	4,817	3,529
Other post retirement benefits (note 24(b)(iv))	(18,612)	3,633	(18,902)	3,359
	(13,795)	7,162	(14,085)	6,888
Amounts (credited)/charged to other comprehensive income:				
Defined pension benefit (note 24(a)(vi))	(16,286)	9,789	(16,286)	9,789
Other post retirement benefits (note 24(b)(v))	(2,449)	(4,172)	(1,857)	(4,569)
	(18,735)	5,617	(18,143)	5,220

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefit

- (i) The Company contributes to the Sugar Industry Pension Fund (SIPF) which is multi-employer defined benefit pension for employees (and their dependents) of the sugar industry. The level of benefits provided depend on the cumulative contributions, years of service and salary up to retirement.

The assets of the plan are independently administered by Swan Life Ltd.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2023 by Swan Actuarial Services Ltd (2022: Swan Actuarial Services Ltd). The present value of the defined benefit obligations, and the related current service cost and past service cost were measured using the Project Unit Credit Method.

- (ii) The amounts recognised on the statement of financial position are as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Present value of funded obligations	150,239	174,919
Fair value of plan assets	(85,056)	(93,756)
Defined benefit obligation in excess of plan assets	65,183	81,163

The reconciliation of the opening balances to the closing balances for the net defined benefit liability/(asset) is as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
At July 1,	81,163	78,218
Charged to profit or loss	4,817	3,529
Charged to other comprehensive income	(16,286)	9,789
Contributions paid	(4,511)	(10,373)
At June 30,	65,183	81,163

- (iii) The movement in the defined benefit obligations over the year is as follows:

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
At July 1,	174,919	163,377
Current service cost	1,573	389
Employee contributions	204	1,296
Interest cost	6,949	6,613
Other benefits paid	(10,980)	(14,977)
Liability loss/(gain) due to change in financial assumption	(22,426)	18,221
At June 30,	150,239	174,919

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefit (cont'd)

(iv) The movement in the fair value of plan assets of the year is as follows:

	THE GROUP AND THE COMPANY	
	2023 Rs'000	2022 Rs'000
At July 1,	93,756	85,159
Interest income	3,705	3,540
Employer contributions	4,511	10,373
Employee contributions	204	1,296
Benefits paid	(10,980)	(14,977)
Actuarial (losses)/gains	(6,140)	-
Return on plan assets excluding interest income	-	8,432
Cost of insuring risk benefits	-	(67)
At June 30,	85,056	93,756

(v) The amounts recognised in profit or loss are as follows:

	THE GROUP AND THE COMPANY	
	2023 Rs'000	2022 Rs'000
Current service cost	1,573	389
Net interest on net defined benefit liability	3,244	3,073
Cost of insuring risk benefits	-	67
Total included in employee benefit expense	4,817	3,529

The above amount has been included in expenses.

(vi) The amounts recognised in other comprehensive income are as follows:

	THE GROUP AND THE COMPANY	
	2023 Rs'000	2022 Rs'000
Return on plan assets below interest income	-	(8,432)
Gain on pension scheme assets	6,140	-
Liability experience (gains)/losses	(1,922)	5,649
Changes in assumptions underlying the present value of the scheme	(20,504)	12,572
	(16,286)	9,789

(vii) The assets in the plan were:

	THE GROUP AND THE COMPANY	
	2023 %	2022 %
Local Equities	21%	21%
Foreign Equities	25%	25%
Fixed Interest & Cash	26%	26%
Properties	15%	15%
Qualifying Insurance Policy	13%	13%
Total	100%	100%

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefit (cont'd)

(vii) The assets in the plan were (cont'd):

	2023	2022
	Rs'000	Rs'000
Actual return on plan assets		(2,196)

Where the plan is funded, the overall expected rate of return on plan assets is determined by reference to market yields on bonds and expected yield differences on other types of assets held or to pay benefits out of cashflow as and when due.

(viii) AGRIA Limited is expected to contribute around Rs 5.1m to the pension schemes and to benefits paid from cashflow for the year ending 30 June 2024.

(ix) The weighted average duration of the defined benefit obligation is 7 years.

(x) The pension plan does not include the Company's ordinary shares.

(b) Other post retirement benefits

The Company is subject to Sugar Industry remuneration orders for labourers and artisans. They provide for the payment of a lump sum on retirement or earlier death. The benefits are unfunded and depend mainly on the monthly wage at retirement. For artisans/labourers who are also members of SIPF, the gratuity payable is reduced by the current gratuity payable under SIPF. Certain staff employees are eligible for a retirement gratuity under the Workers' Rights Act 2019.

(i) The amounts recognised on the statement of financial position are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of unfunded obligations	9,377	34,193	7,155	29,433

(ii) The movement in the liability recognised on the statement of financial position is as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	34,193	37,677	29,433	33,756
Charged to profit or loss	(18,612)	3,633	(18,902)	3,359
Charged to other comprehensive income	(1,857)	(4,172)	(1,857)	(4,569)
Foreign exchange difference	(769)	168	-	-
Contributions paid	(3,578)	(3,113)	(1,519)	(3,113)
At June 30,	9,377	34,193	7,155	29,433

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits (cont'd)

(iii) Reconciliation of the present value of obligations:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Present value of obligations at start of period	34,193	37,677	29,433	33,756
Current service cost	1,721	2,262	1,721	2,159
Interest cost	1,199	1,371	1,199	1,200
Effect of curtailments/settlements	(21,581)	-	(21,581)	-
Past service cost and settlement gain	-	(1,026)	-	(1,026)
Other benefits paid	(2,074)	(2,087)	(15)	(2,087)
Foreign exchange difference	114	169	-	-
Liability (gain)/loss	-	1,249	-	853
Actuarial (gains)/losses	(2,403)	-	(1,811)	-
Liability loss due to change in financial assumptions	754	(5,422)	754	(5,422)
Present value of obligations at end of period	11,922	34,193	9,700	29,433

(iv) The amounts recognised in profit or loss are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Current service cost	1,670	2,262	1,561	2,159
Past service cost and settlement gain	68	-	68	-
Effect of curtailments/settlements	(21,581)	-	(21,581)	-
Net interest on net defined benefit liability	1,231	1,371	1,050	1,200
	(18,612)	3,633	(18,902)	3,359

(v) The amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Losses on pension scheme assets	37	-	37	-
Actuarial gain arising from changes in demographic assumptions	(592)	-	-	-
Liability experience gain	1,107	853	1,107	853
Liability loss due to change in financial assumptions	(3,001)	(5,025)	(3,001)	(5,422)
	(2,449)	(4,172)	(1,857)	(4,569)

(vi) The expected employer contributions for the year ending June 30, 2024 is Rs'M 3.7 for the Group and the Company.

The weighted average duration of the defined benefit obligation is estimated to be 5 years.

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(c) The principal actuarial assumptions used for accounting purposes were as follows:

	THE GROUP AND THE COMPANY			
	Defined benefit		Other post retirement benefits	
	2023	2022	2023	2022
	%	%	%	%
Discount rate	5.29	4.10	5.37	3.60
Future salary increases	3.00	3.00	3.00	3.00
Pension increases		-		-
Average retirement age (NRA)		60 years		60 years

(d) Sensitivity analysis on defined benefit obligations at end of reporting date:

THE GROUP AND THE COMPANY

	Defined benefit		Other post retirement benefits	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% decrease in discount rate	17,167	21,450	516	1,360
(Decrease) due to 1% increase in discount rate	(14,280)	(17,763)	(455)	(1,223)

THE GROUP AND THE COMPANY

	Defined benefit		Other post retirement benefits	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Increase due to 1% increase in future long term salary assumption	2,451	2,610	523	1,353
Decrease due to 1% decrease in future long term salary assumption	(2,288)	2,417	(469)	1,240

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

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

- (e) The Company is exposed to various risks in respect of the defined benefit pension plan that it has set up for its employees. These risks include the following:

Investment risk (where the plan is funded): The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

Longevity risk (where the plan is funded and an annuity is paid over life expectancy): The plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

25. DEFERRED INCOME

	THE GROUP & THE COMPANY	
	2023 Rs'000	2022 Rs'000
At July 1,	-	3,780
Addition	3,213	-
Release to profit or loss	-	(3,780)
At June 30,	3,213	-
<u>Analysed as:</u>		
Non-current	-	-
Current	3,213	-
	3,213	-

Deferred income relates to advance received from subsidiary in respect of cost incurred for renovation of Le Chateau. The deferred income is amortised over a period of 5 years, representing the remaining lease period.

26. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Trade payables	72,110	68,078	65,507	29,118
Other payables	225,147	198,008	72,251	31,269
Advance deposits from customers	35,207	84,581	9,665	10,716
VAT payable	320	291	-	-
	332,784	350,958	147,423	71,103

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

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

27. AMOUNTS PAYABLE TO GROUP COMPANIES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Intermediate holding company	-	38,464	-	21,779
Subsidiaries	-	-	-	1,411
Fellow subsidiaries (note 27)	20,923	37,922	20,923	38,415
	20,923	76,386	20,923	61,605

The carrying amounts of amount payable to group companies approximate their fair value.

28. TAXATION

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Profit or loss				
Deferred tax (credit)/charge (note 29)	-	887	-	887

The tax on the Group's and Company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Profit/(loss) before tax	70,353	(14,160)	45,889	(70,897)
Tax calculated at a rate of 15% (2022: 15%)	11,568	(2,407)	7,801	(12,053)
Expenses not deductible for tax purpose	11,878	4,969	8,981	5,620
Income not subject to tax	(49,427)	(12,831)	(39,573)	(515)
Income exempt from taxation	(1,871)	-	(1,871)	-
Tax losses not yet utilised	27,851	11,156	24,662	7,835
	-	887	-	887

Deferred tax is calculated on all temporary differences under the liability method at 17% (2022: 17%).

- (a) 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 income taxes relate to the same fiscal authority. The following amounts are shown in the statement of financial position:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
<u>Deferred tax assets</u>				
Tax losses	(96,725)	(84,708)	(38,560)	(43,366)
Bad debts and provisions	(1,015)	-	(1,015)	-
Retirement benefit obligations	(500)	(18,801)	335	(18,801)
	(98,240)	(103,509)	(39,240)	(62,167)
<u>Deferred tax liabilities</u>				
Accelerated tax depreciation	(11,894)	86,539	(3,180)	42,367
Revaluation of buildings	34,578	16,970	34,578	19,800
Deferred Tax Asset not recognised	75,556	-	7,842	-
	-	-	-	-

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

29. DEFERRED TAX ASSET/(LIABILITY)

(b) Deferred tax assets/(liabilities)

	THE GROUP				
	At July 1, 2022	Credited to profit or loss	Charged to other comprehensive income	Translation difference	At June 30, 2023
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2023					
Tax losses	(84,708)	(96,725)	-	-	(181,433)
Bad debts and provisions	-	-	(1,015)	-	(1,015)
Retirement benefit obligations	(18,801)	3,420	(2,919)	-	(18,300)
Investment properties	7,482	-	-	-	7,482
Accelerated tax depreciation	86,539	(11,894)	-	-	74,645
Revaluation of building	9,488	-	-	-	9,488
Deferred tax not recognised	-	105,199	3,934	-	109,133
Net deferred tax liability/(asset)	-	-	-	-	-
	THE GROUP				
	At July 1, 2021	Credited to profit or loss	Charged to other comprehensive income	Translation difference	At June 30, 2022
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2022					
Tax losses	(77,324)	-	(7,384)	-	(84,708)
Retirement benefit obligations	(19,036)	(887)	1,122	-	(18,801)
Investment properties	7,482	-	-	-	7,482
Accelerated tax depreciation	79,390	-	7,149	-	86,539
Revaluation of building	9,488	-	-	-	9,488
	96,360	-	7,149	-	103,509
Net deferred tax liability/(asset)	-	(887)	887	-	-

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

29. DEFERRED TAX ASSET/(LIABILITIES) (CONT'D)

	THE COMPANY			
	At July 1,	Credited to	Debited to	At
	2022	other comprehensive income	profit or loss	June 30, 2023
	Rs'000	Rs'000	Rs'000	Rs'000
2023				
Tax losses	(43,366)	-	(38,560)	(81,926)
Retirement benefit obligations	(18,801)	(3,084)	3,420	(18,465)
Accelerated tax depreciation	42,367	-	(3,180)	39,187
Revaluation of investment properties	7,482	-	-	7,482
Bad debts and other provisions	-	-	(1,015)	(1,015)
Revaluation of building	12,318	-	-	12,318
Deferred tax not recognised	-	3,084	39,335	42,419
Net deferred tax liability	-	-	-	-

	THE COMPANY			
	At July 1, 2021	Charged to other comprehensive income	Credited to profit or loss	At June 30, 2022
	Rs'000	Rs'000	Rs'000	Rs'000
2022				
Tax losses	(35,982)	-	(7,384)	(43,366)
Retirement benefit obligations	(19,036)	(887)	1,122	(18,801)
Accelerated tax depreciation	35,218	-	7,149	42,367
Revaluation of investment properties	7,482	-	-	7,482
Revaluation of building	12,318	-	-	12,318
Net deferred tax liability	-	(887)	887	-

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Tax losses carried forward				
The estimated tax losses at the end of the year	527,287	687,900	337,191	356,270

30. SUGAR, MOLASSES AND OTHER PROCEEDS

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Sugar	14,979	17,678
Molasses	216	1,306
Other sugar revenue	1,399	3,480
	16,594	22,464
Timing of revenue recognition:		
At a point in time	16,594	22,464

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

31. OTHER REVENUE

The following is an analysis of the Group and the Company's revenue for the year:

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Proceeds from sales of real estates	461,168	324,046	-	-
Other revenue				
Revenue from sales of goods	88,678	55,016	99,707	55,016
Revenue from rendering of services	16,012	49,671	16,012	49,671
Rental and other income	18,325	14,440	10,819	11,916
	123,015	119,127	126,538	116,603
Revenue from contracts with customers (note 31(a))	569,364	443,173	126,538	116,603

31(a). DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Goods and agricultural products	12,617	23,603	56,900	23,603
Landscaping services	38,763	41,801	42,747	41,801
Livestock and related activities	44,344	38,120	2,686	38,120
Management fees	2,626	1,163	13,386	1,163
Real estates	471,014	324,046	10,819	11,916
	569,364	428,733	126,538	116,603
Timing of revenue recognition				
At a point in time	527,975	366,353	70,405	73,639
Over time	41,389	62,380	56,133	42,964
	569,364	428,733	126,538	116,603

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

32(a). OPERATING, ADMINISTRATIVE EXPENSES, DEPRECIATION AND AMORTISATION

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Other supplies and services	178,835	156,380	127,933	108,998
Employee benefit expense (see note 33(b))	162,716	100,134	135,356	71,376
Depreciation of				
- Property, plant and equipment (Note 5)	31,383	19,841	17,362	18,381
- Rights of use assets (Note 6)	6,263	4,681	3,006	1,958
Amortisation of intangible assets	-	307	-	307
	37,646	24,829	20,368	20,646
	379,197	281,343	283,657	201,020

32(b). EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Wages and salaries	87,360	88,514	62,877	61,441
Compensation to Voluntary Retirement Scheme	84,972	-	84,972	-
Social security costs and pension costs	4,179	4,458	1,592	2,947
Release of retirement benefit obligations				
- Defined benefit plan	4,817	3,529	4,817	3,629
- Other post retirement benefits	(18,612)	3,633	(18,902)	3,359
	162,716	100,134	135,356	71,376

32(c). DIRECT COSTS - SALES OF REAL ESTATES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Deferred expenditure and other land related costs	99,655	71,968	-	-
Land cost and cost of construction	139,306	27,573	-	-
Repairs of villas, defects and late delivery	5,335	25,076	-	-
Professional fees	7,208	7,101	-	-
Notary fees	2,721	2,226	-	-
Land transfer tax	20,211	16,582	-	-
Cost of villas sold	33,245	35,446	-	-
Sales commission	15,037	6,329	-	-
Golf membership and golf carts	3,681	6,049	-	-
Case work	-	2,735	-	-
Option premium	-	7,756	-	-
Social contribution	2,600	2,844	-	-
Other expenses	1,220	3,400	-	-
	330,219	215,085	-	-

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

33. OTHER INCOME

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Profit on disposal of property, plant and equipment	2,292	916	1,652	460
Dividend income	11,004	-	11,004	600
Interest income	940	2,262	940	-
Release of contribution for 'projet d'ensemble'	-	3,780	-	3,780
Other income	3,368	25,590	4,905	9,522
	<u>17,604</u>	<u>32,548</u>	<u>18,501</u>	<u>14,362</u>

34. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Interest expense:				
- Bank loans	28,003	12,825	19,337	7,679
- Bank overdrafts	14,172	10,026	1,469	1,624
- Other loans	15,355	3,692	16,624	6,156
- Leases	2,220	371	642	142
Guarantee fee	-	1,335	-	1,335
	<u>59,750</u>	<u>28,249</u>	<u>38,072</u>	<u>16,936</u>
Net foreign exchange transaction (gain)/loss	<u>(8,636)</u>	<u>(2,135)</u>	<u>77</u>	<u>(3,774)</u>
	<u>51,114</u>	<u>26,114</u>	<u>38,149</u>	<u>13,162</u>

35. OTHER EXPENSES

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Other expenses	1,278	-	1,278	-
Deferred expenses	2,021	-	2,021	-
	<u>3,299</u>	<u>-</u>	<u>3,299</u>	<u>-</u>

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

36. NOTES TO THE CASH FLOW STATEMENTS

	Notes	THE GROUP		THE COMPANY	
		2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
(a) Net cash generated from/(absorbed by) operations					
Profit/(Loss) before taxation		70,353	(14,160)	45,888	(70,897)
Adjustments for:					
Depreciation of property, plant and equipment	5	31,383	19,841	17,362	18,381
Depreciation of right-of use assets	5A	6,263	4,681	3,006	1,958
Amortisation of intangible assets	9	-	307	-	307
Profit on sale of property, plant and equipment	33	(2,292)	(916)	(1,652)	(460)
Provision for receivables impairment	17	-	4,118	-	2,247
Amount recovered on loss allowance	17	(12,007)	-	(5,428)	-
Gain on financial assets at amortised cost	13	(7,265)	(3,691)	(30)	(3,691)
Provision for retirement benefit obligations	24	(17,373)	(6,324)	(15,604)	(6,598)
Dividend income	33	(11,004)	-	(11,004)	(600)
Interest income	33	(940)	(2,262)	(940)	-
Interest expense	34	59,750	28,249	38,072	16,936
Deferred expenditure released	7	(3,951)	5,821	(3,951)	10,554
Share of results of associates	11	(3,917)	(2,409)	-	-
Share of results in joint venture	14	2,534	1,726	-	-
Deferred income incurred/(released)	25	3,213	-	3,213	(3,780)
Increase in fair value of investment property	8	(201,879)	(21,529)	(203,400)	-
Write off of intangible assets		133	-	133	-
Changes in working capital:					
- consumable biological assets		(532)	7,897	(532)	7,897
- inventories		134,408	119,323	(79)	(2,019)
- trade, group and other receivables		17,947	117,182	(5,447)	(1,601)
- trade, group and other payables		(18,174)	(101,716)	76,320	48,477
Cash generated from/ (absorbed by) operations		46,649	156,138	(64,074)	17,111
(b) Cash and cash equivalents					
		THE GROUP		THE COMPANY	
		2023 Rs'000	2022 Rs'000	2023 Rs'000	2022 Rs'000
Cash in hand and at bank		25,429	23,677	6,760	4,238
Bank overdrafts (note 23)		(134,681)	(239,795)	(34,544)	(64,822)
		(109,252)	(216,118)	(27,784)	(60,584)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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

36. NOTES TO THE CASH FLOW STATEMENTS (CONT'D)

(c) Reconciliation of liabilities arising from financing activities

	At July 1, 2022 Rs'000	Repayment Rs'000	New loan/lease Rs'000	Non cash movement Rs'000	At June 30, 2023 Rs'000
2023					
<u>THE GROUP</u>					
Bank loans	222,211	-	236,314	-	458,525
Other loans	257,705	-	66,366	-	324,071
Lease liabilities	10,443	(6,621)	6,319	3,990	14,131
	<u>441,856</u>	<u>(6,621)</u>	<u>308,999</u>	<u>3,990</u>	<u>796,727</u>
		At July 1, 2022 Rs'000	Cash flows Rs'000	New lease Rs'000	At June 30, 2023 Rs'000
		178,061	158,541	-	336,602
		180,000	144,090	-	324,090
		6,339	(1,639)	6,319	11,019
		<u>320,940</u>	<u>300,992</u>	<u>6,319</u>	<u>671,711</u>
<u>THE COMPANY</u>					
Bank loans		178,061	158,541	-	336,602
Other loans		180,000	144,090	-	324,090
Lease liabilities		6,339	(1,639)	6,319	11,019
		<u>320,940</u>	<u>300,992</u>	<u>6,319</u>	<u>671,711</u>
	At July 1, 2020 Rs'000	Cash flows Rs'000	New Lease Rs'000	Discontinued operations Rs'000	At June 30, 2021 Rs'000
2022					
<u>THE GROUP</u>					
Long term borrowings	190,185	(12,123)	44,150	-	222,212
Other loans	246,875	(39,171)	50,000	-	257,704
Lease liabilities	4,796	(2,863)	8,404	106	10,443
	<u>441,856</u>	<u>(54,157)</u>	<u>102,554</u>	<u>106</u>	<u>490,359</u>
			At July 1, 2021 Rs'000	Cash flows Rs'000	At June 30, 2022 Rs'000
			190,185	(12,124)	178,061
			130,000	50,000	180,000
			755	4,268	5,023
			<u>320,940</u>	<u>42,144</u>	<u>363,084</u>
<u>THE COMPANY</u>					
Long term borrowings			190,185	(12,124)	178,061
Other loans			130,000	50,000	180,000
Lease liabilities			755	4,268	5,023
			<u>320,940</u>	<u>42,144</u>	<u>363,084</u>

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

37. RELATED PARTY TRANSACTIONS

During the year the Group and the Company made the following related party transactions on a normal commercial terms and at prevailing market prices.

	Sales of goods and services	Purchases of goods and services	Management fees paid	Management fees received	Guarantee fee paid	Interest paid	Rental income	Loan	Amount owed to related parties		Amount owed by related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP											
<u>2023</u>											
Holding company	832	33,868	23,771	-	-	106	7,506	130,000	58,900	-	1,523
Subsidiaries	4,813	24	-	600	-	-	2,038	-	-	-	33,006
Fellow subsidiaries	34,425	2,543	-	-	-	-	7,516	-	20,923	-	6,652
Enterprise with common management	14,593	11,378	-	1,986	2,754	13,870	2,242	130,000	134,988	-	230
Joint venture	2,462	-	-	-	-	-	-	-	-	-	95,928
Associated companies	130	39	-	165	-	-	802	-	6	-	262
Parent	-	60	-	-	-	-	-	-	-	-	-
<u>2022</u>											
Holding company	473	6,663	9,956	-	-	4,887	-	130,000	22,655	-	750
Fellow subsidiaries	4,679	29	-	-	1,335	1,254	2,744	-	37,922	-	33,328
Enterprise with common management	19,014	7,520	-	-	-	-	2,852	-	-	-	4,779
Joint venture	2,430	-	-	-	-	-	-	-	-	-	92,980
Associated companies	23,154	7,255	-	-	-	-	4,144	-	8,335	-	5,169

Amount due to related parties are unsecured and bear interest ranging from 4.25% - 6.75% (2022: 4.10% - 4.25%)

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

37. RELATED PARTY TRANSACTIONS (CONT'D)

	Sales of goods and services	Purchases of goods and services	Management fees paid	Guarantee fee paid	Interest paid	Loan	Rental income	Amount owed to related parties	Amount owed by related parties
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY									
2023									
Holding company	832	4,282	12,033	-	-	130,000	-	43,728	1,235
Subsidiaries	2,315	24	-	600	-	-	2,038	-	553
Fellow subsidiaries	34,425	2,543	-	-	-	-	7,516	20,923	6,652
Entity under common management	14,593	11,378	-	1,986	2,754	13,870	2,242	-	230
Associated companies	130	39	-	165	-	-	802	6	262
2022									
Holding company	473	2,637	8,341	-	4,887	130,000	-	21,779	470
Subsidiaries	4,311	29	-	-	-	-	2,012	1,411	881
Fellow subsidiaries	10,215	-	-	1,335	1,254	-	732	38,415	991
Entity under common management	20,365	5,119	-	-	-	-	2,852	6,340	4,779
Associated companies	2,789	7,256	-	-	-	-	4,144	8,335	5,169

(a) Terms and conditions of transactions with related parties

The above transactions have been on normal commercial terms and in the normal course in business.

Outstanding balances at year end are unsecured and settlement occurs in cash. There has been no other guarantee provided or received for any related party receivables or payables except for guarantee received from Case Noyale Limitée in respect of bank loan. For the year ended June 30, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Amount due to related parties are unsecured and bear interest ranging from 4.25% - 6.75% (2022: 4.10% - 4.25%). Amount due by related parties are unsecured and interest free.

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

37. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Key Management Personnel

	THE GROUP AND THE COMPANY	
	2023	2022
	Rs'000	Rs'000
Salaries and short term employees benefits	12,566	6,846
Post employment benefits	911	730
	<u>13,477</u>	<u>7,576</u>

38. CONTINGENT LIABILITIES

At June 30, 2023, the Company's subsidiary had contingent liabilities in respect of floating charge on the assets of the Company arising in the ordinary course of business amounting to USD 2,000,000 from which it is anticipated that no material liabilities would arise.

39. COMMITMENTS

	THE GROUP		THE COMPANY	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
Capital commitments				
Contracted but not yet provided in the financial statements	<u>131,000</u>	<u>295,847</u>	<u>131,000</u>	<u>170,000</u>

40. OPERATING LEASE ARRANGEMENTS

THE COMPANY AS A LESSOR

The Company lease out investment properties. The Company have classified these leases as operating lease because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Maturity analysis of operating lease payments

THE COMPANY	2023	2022
	Rs'000	Rs'000
Year 1	12,192	8,196
Year 2	12,801	8,628
Year 3	13,441	8,877
Year 4	14,114	9,219
Year 5 onwards	-	24,804
Total	<u>52,548</u>	<u>59,724</u>

41. GOING CONCERNThe Group

The Group earned a profit after tax of Rs 70.4 million (2022: loss after tax of Rs15.0 million) for the year-ended June 30, 2023 and had net equity of MUR 3.0 billion (2022: Rs 2.9 billion). However, the Group's current liabilities exceeded its current assets by Rs 61.3 million (2022: Net current liabilities of Rs 59 million). The net current asset includes plots of land for sales by Les Villas de Bel Ombre Limited. The carrying value of these plots of land amount to Rs 49m. Transactions with related parties have been subordinated whereby they have been agreed to differ payment in case the current liabilities exceed current assets in order to ease the liquidity position of the group.

The directors have assessed that the Group's ability to continue as a going concern and have considered events after reporting date as per Note 45 and are satisfied that the Group will continue in business for the foreseeable future. In addition to the matters considered by the Company in assessing their ability to continue as a going concern, set out below, the Group's holding company namely Rogers & Co Ltd will provide financial support based on their percentage of holding for both Agria Limited and Les Villas de Bel Ombre Limitee. Hence, the directors are not aware of any material uncertainties that may cast significant doubt upon the group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

The Company

The Company incurred a profit after tax of Rs 45.8million (2022: loss after tax of Rs 71.8 million) for the year ended 30 June 2023 and had net equity of Rs 2.86 billion (2022: MUR 2.81 billion).

The Company's current liabilities exceeded its current assets by MUR 236 million (2022: Rs 149 million net current asset). As at June 30, 2023 the company has earned a profit of Rs 45.9 million which include the payment for voluntary retirement scheme (VRS) amounting to Rs85m with a view for future cost reduction. The VRS has been financed through a loan contracted from the holding company, Rogers & Co Ltd. The total borrowing from bank and related entities as at June 30, 2023 has now reached Rs661m. To ease Agria Limited liquidity situation, the board has approved future sales of land or its investment held in RHOL. The proceeds will be used for refund of loans.

The Company's directors have made an assessment of the Company's ability to continue as a going concern and in addition to the matters considered by the Company in assessing their ability to continue as a going concern, the Group's holding company namely Rogers & Co Ltd will provide financial support based on their percentage of holding for Agria Limited. Hence, the directors are not aware of any material uncertainties that may cast significant doubt upon the group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

42. EVENTS AFTER REPORTING PERIOD

There are no events after the reporting period which may have material effect on the financial statements of the Company as at 30 June 2023.