VELOGIC HOLDING COMPANY LIMITED

ANNUAL REPORT – YEAR ENDED

JUNE 30, 2020

CONTENTS

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Velogic Holding Company Limited and its subsidiaries for the year ended June 30, 2020.

All shareholders agree that the Annual Report need not comply with paragraphs (a), and (d) to (i) of Section 221 (1) of the Companies Act 2001.

This report was approved by the Board of Directors on 07 April 2021

Director

Director

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

PROFILES OF DIRECTORS - YEAR ENDED JUNE 30, 2020

PROFILE OF DIRECTORS

1. ESPITALIER-NOEL, MARIE HECTOR PHILIPPE

CHAIRMAN AND NON-EXECUTIVE DIRECTOR
(Born in 1965)

Date of Appointment: September 30, 2004

Qualifications
- BSc in Agricultural Economics (University of Natal, South Africa);
- MBA (London Business School).

Professional Journey
- Worked for CSC Index in London as Management Consultant from 1994 to 1997;
- Joined Rogers in 1997;
- Was appointed Chief Executive Officer of the Rogers Group in 2007;
- Attended Workers' Right Act – March 2020 training.

Skills
- Proven experience of mergers and acquisitions, business turnaround and transformation;
- Extensive expertise with strategy development and execution;
- Inspiring leadership with senior management in the Rogers Group's four served markets, FinTech,
- Hospitality, Logistics and Property;
- Well versed in Corporate Governance.

2. KHADY, LIKA KONE-DICOH

NON-EXECUTIVE DIRECTOR
(Born in 1981)

Date of Appointment: December 17, 2013

Qualifications

- MSc in management from EMLYON;
- **Master** degree in business & corporate law from University Jean Moulin Lyon III;
- Certificate for the Accelerated Development Program from London Business School.

Professional journey

- Joined the private equity fund Amethis in February 2013 and was appointed Investment Director in charge of sourcing and executing investment in Africa.
- Prior to Amethis, spent 7 years with Société Générale Bank as Manager in the Mergers & Acquisitions department dedicated to Emerging markets and French Midcaps where she originated and executed various buy-side and sell-side M&A transactions and Privatizations in Europe Middle East & Africa (EMEA)
- Seats in the board of directors of several leading African companies in different fields: CDCI (largest network of supermarkets in Cote d'Ivoire), Velogic (leading logistics company in Mauritius), Sodigaz (number one distributor of LPG in Burkina Faso)
- Seats in the Advisory Committee of a French start-up in technology targeting Africa, Keyopstech

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

PROFILES OF DIRECTORS - YEAR ENDED JUNE 30, 2020

PROFILE OF DIRECTORS (CONT'D)

2. KHADY, LIKA KONE-DICOH (CONT'D)

Skills

- Strong managerial, accounting, legal and financial skills;
- Significant experience in the Strategic, business development and commercial field;
- Well versed in Corporate Governance;
- International Exposure.

3. ESPITALIER-NOEL, MARIE EDOUARD GILBERT

NON-EXECUTIVE DIRECTOR
(Born in 1964)

Date of Appointment: July 18, 2011

Qualifications

- BSc (University of Cape Town, South Africa);
- BSc (Hons) (Louisiana State University, USA);
- MBA (INSEAD Fontainebleau, France).

Professional Journey

- Joined Food and Allied Group in 1990 and was appointed Group Operations Director in 2000;
- Joined the ENL Group in February 2007;
- Was Chief Executive of ENL Property Ltd;
- Currently CEO of New Mauritius Hotels Ltd.

Skills

- Detailed knowledge of board matters;
- Broad experience in business and financial skills;
- Experienced non-executive director in several sectors;
- Significant M&A experience locally and regionally;
- Strong communications, entrepreneurial and strategic dimension skills;
- Well versed in Corporate Governance.

4. MAMET, JEAN EVENOR DAMIEN

NON - EXECUTIVE DIRECTOR
(Born in 1977)

Date of Appointment: April 28, 2017

Qualifications
- Member of the Institute of Chartered Accountants in England & Wales

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

PROFILES OF DIRECTORS - YEAR ENDED JUNE 30, 2020

PROFILE OF DIRECTORS (CONT'D)

4. MAMET, JEAN EVENOR DAMIEN (CONT'D)

NON - EXECUTIVE DIRECTOR

Professional Journey

- Started his career with Ernst & Young in London in 1999;
- In 2003, he moved to BDO De Chazal Du Mee (Mauritius);
- In 2006, he was appointed Manager of Corporate Finance of PricewaterhouseCoopers;
- Joined Rogers Group where he was appointed Managing Director of Foresite Property Fund
- Management Ltd in 2009 and was appointed Chief Projects & Development Executive of Rogers in 2014;
- He was appointed Chief Finance Executive of Rogers in 2017.
- Attended Workers' Right Act – March 2020 training.

Skills

- Detailed knowledge of the Group's activities and business having previously occupied the position of Fund Manager;
- Strategic and commercial understanding;
- Team management skills;
- Well versed in Corporate Governance.

5. NUNKOO, NAYENDRANATH

EXECUTIVE DIRECTOR
(Born in 1969)

Date of Appointment: June 21, 2011

Qualifications

- MBA majoring in Finance;
- MSc in Engineering.
- *Professional Journey*
- Joined Rogers Group in 1993 and worked in various positions, namely in the Service Planning &
- Development department, the Aviation and Logistics sectors, Enterprise Information Solutions;
- Corporate Manager - Strategic Planning at the Head Office of Rogers and Company Limited.

Skills

- Significant experience in the logistics and engineering sector both locally, regionally and in the African market;
- Broad experience in the strategic and business development field;
- Strong managerial and financial skills.

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

PROFILES OF DIRECTORS - YEAR ENDED JUNE 30, 2020

PROFILE OF DIRECTORS (CONT'D)

6. RIGOUZZO, LUC ANDRE EMMANUEL

NON-EXECUTIVE DIRECTOR
(Born in 1963)

Date of Appointment: December 17, 2013

Qualifications
- holds degrees in both Agronomy and Finance

Professional Journey

- devoted the first 14 years of his career to project finance in the agribusiness and food sectors of emerging countries at Agence Francaise de Developpement and Proparco field offices and Headquarters;
- joined the Agribusiness Department of the International Finance Corporation, financing projects in Latin America and Africa;
- re-joined the Agence Francaise de Developpement Group in 2000 as deputy director for the Mediterranean department and head of the department of non-sovereign, private and financial sector successively;
- appointed as Chief of Staff for the French Ministry for Development;
- Co-founded and Managing Partner of Amethis;
- From June 2006 to December 2010, the CEO of Proparco, the French Development Financial Institution specialized in long-term sustainable investments to the private sector in emerging countries;
- Over 30 years of experience in investing in emerging market companies.

Skills
- Broad experience in the agronomy and hospitality sector;
- Significant experience in the strategic, sustainable development and business development fields in the emerging market;
- Strong accounting, risk management, managerial and financial skills;
- Well versed in Corporate Governance.

7. SANGEELEE, NAVEEN

EXECUTIVE DIRECTOR
(Born in 1968)

Date of Appointment: August 29, 2018

Qualifications
- Fellow of the Institute of Chartered Accountants in England & Wales (FCA);
- Fellow Chartered Certified Accountants (FCCA);
- Associate of Chartered Management Accountants (ACMA);
- Masters in Business Administration, London (MBA);
- BSc Economics & Computing, London (BSc Hons)

VELOGIC HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

PROFILES OF DIRECTORS - YEAR ENDED JUNE 30, 2020

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7. SANGEELEE, NAVEEN (CONT'D)

Professional Journey

- Joined Velogic in 2009, after having worked for a number of years in the United Kingdom for the United Parcel Service Inc. and Warner Brothers Entertainment Group;
- Joined the logistics arm of Rogers and Company Limited in November 2009 as Business Process Manager;
- Was appointed Chief Finance Officer of Velogic Ltd since May 2011.

Skills

- Significant experience in board matters and governance skills;
- Strong accounting, financial and business skills;
- Broad experience in risk & audit, strategic dimension and taxation

8. BHATT, MEHUL HITESHKUMAR

EXECUTIVE DIRECTOR
(Born in 1980)

Date of Appointment: February 27, 2020

Qualifications

- MBA, London Business School (Danish Maritime Fund Scholar)
- BS, Nautical Sciences, BITS Pilani

Professional Journey

- Fellow of Institute of Chartered Shipbrokers (FICS)
- Associate Fellow of Nautical Institute (AFNI)

Skills

- Significant experience in governance skills;
- Strong HR, financial, entrepreneurial and business skills;
- Broad experience in strategic dimension, International Exposure and Knowledge of FinTech Business

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entitiy (PIE) : VELOGIC HOLDING COMPANY LIMITED
Reporting Period : July 1, 2019 to June 30, 2020

We, the Directors of Velogic Holding Company Limited, confirm that to the best of our knowledge:

- Velogic Holding Company Limited ("VHCL") is a subsidiary of Rogers and Company Limited ("RCL");
- Throughout the year ended June 30, 2020, VHCL has complied with the Corporate Governance Code for Mauritius (2016);
- VHCL has applied all of the principles set out in the Code and explained how these principles have been applied.

Signed by:

Signature:

Name:	Philippe Espitalier-Noel **CHAIRPERSON**	Naveen Sangeelee **DIRECTOR**
Date:	07 April 2021	07 April 2021

Velogic Holding Company Limited ('VHCL' or the 'Company') is a private company limited by shares and has adopted a constitution.

The shareholding of VHCL is as follows:

- Rogers and Company Limited ('Rogers') with a 66.23% stake
- Amethis Africa Finance Ltd ('Amethis') with a 33.77% stake

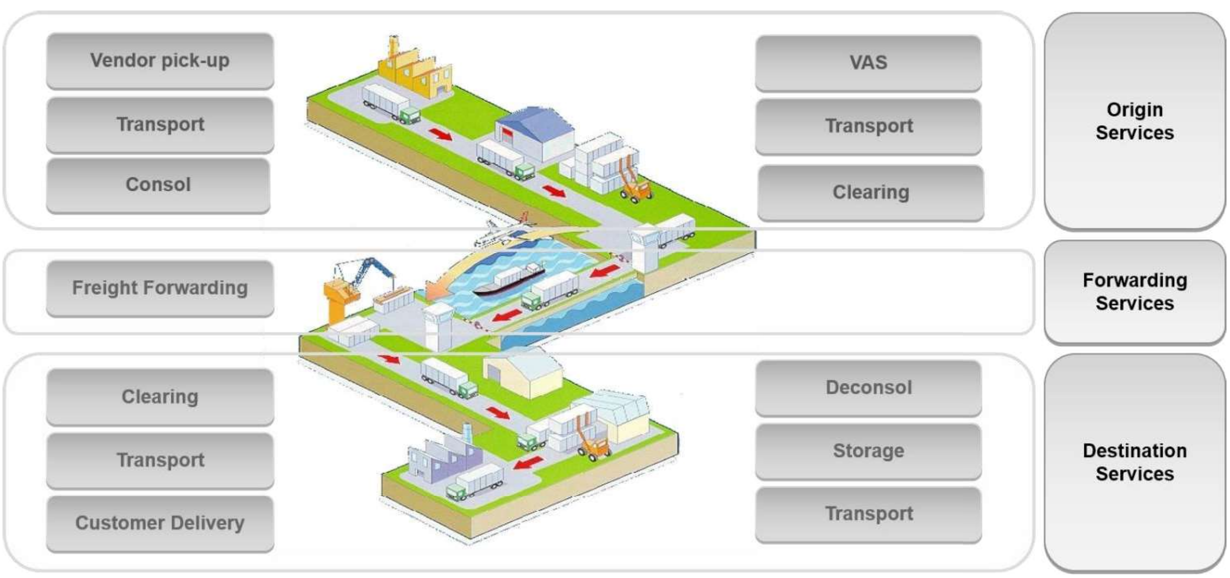
VHCL is a subsidiary of Rogers. VHCL is furthermore a public interest entity and is, as such, required to adopt Corporate Governance principles in accordance with The National Code of Corporate Governance for Mauritius (2016) (the 'Code').

The Company is a one-stop logistics platform with established capabilities and in-depth expertise to offer solutions that make complex international trade seamless.

The company operates 36 offices with a workforce of 1,500 employees in 6 countries: France, India, Madagascar, Reunion Island, Kenya and Mauritius, where it is headquartered. It also serves customers worldwide through a global network of trusted partners.

VHCL and its subsidiaries offer a full range of integrated logistics solutions such as: freight forwarding, customs clearance, haulage, warehousing (including bond and container freight station), courier services, container handling and ship agency. Services offered also comprise stevedoring in Rodrigues and special sugar packing in Mauritius. There were no major changes within the organisation compared to the previous year.

VHCL's Business Model



Served Market Overview

The Logistics sector's overall result tracked above last year until February, spearheaded by the Kenya operation and Mauritian inland logistics activities. The outbreak of the COVID-19 pandemic worldwide dampened performance from March with restrictions on the movement of goods, resulting from lockdowns and border closures. In Kenya, operations ran relatively normally as confinement measures were more lenient.

Freight forwarding and courier activities were the most affected by the sharp drop in Air Freight capacity as flights were reduced drastically, and shippers used the limited space to transport mainly medical supplies and personal protective equipment. Capacity constraints and almost no passengers flying gave rise to prohibitively high freight rates which also contributed to unsettle supply chains and demand patterns. Ocean freight was impacted to a lesser extent as port terminals continued to function during the crisis, albeit at reduced efficiencies with new protocols, hence giving rise to some blank sailings due to congested platforms and prices increased.

In addition, the retail sector worldwide was also impacted with the lockdown further exacerbating the situation of the textiles industry in Mauritius and affecting the situation in Madagascar, India and France. Furthermore, the standstill in the hospitality sector is severely impacting the Mauritian economy, resulting in a drop in imports due to reduced consumption and a shortage of foreign currency. The appreciation of the hard currencies against the Mauritian rupee and exchange controls were effectively managed through natural hedges and internal treasury management.

Land logistics activities in Mauritius delivered commendable results with container handling, transportation and warehousing delivering strong pre-COVID-19 results; they also continued to operate as an essential service during the confinement.

Cost-saving measures in France and diversification of the customer base in India were successfully implemented during the year but the adverse effects of the sanitary debacle on trade volumes more than offset the benefits. Madagascar still made a positive contribution to the Group's results under challenging conditions whereas profitability improved in Kenya following a major restructuring exercise that included the office relocation to Nairobi, transport business re-engineering and recruitment of key management personnel.

The Board of VHCL was as such challenged during the COVID-19 pandemic and directors were involved in playing a critical role helping the Company and its businesses navigate the many complicated COVID-19-related issues. Proactiveness and agility were of the essence to bring a value-added perspective to the various businesses of the Company.

Outlook

With the pandemic still rampant in most of our key markets, the outlook for Logistics is shrouded with uncertainty and unpredictability for the year ahead. With a probable contraction in household consumption that a global economic downturn entails, the freight forwarding activity is poised to be challenged further in all geographies. It will also continue to struggle on the local scene as the woes on the textile and hospitality sectors persist.

The performance of land logistics activities will also depend on how the situation pans out for the different sectors that it services. With infrastructure projects resuming and the stimuli granted by the Government to the construction industry in the recent budget, the demand for transport of materials should pick up.

The growth in scope of our service portfolio in Kenya should stand us in good stead for the future expansion of our venture but with the number of cases on the rise, potential disruptions should not be excluded.

In India, an extension of the geographical coverage through the opening of new offices and closer ties forged with new agents through network associations should generate incremental business, but the spread of COVID-19 continues to cause uncertainty.

1. GOVERNANCE STRUCTURE

1.1 The Board

The Board of VHCL assumes responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

As at June 30, 2020, VHCL is headed by a unitary board comprising of eight directors. Their profiles and directorship lists will be available on https://www.velogic.net. Pursuant to Article 15 of the Constitution of the Company, Amethis is entitled to appoint two directors and Rogers is entitled to appoint five directors on the Board of VHCL.

The Category of Directors as at June 30, 2020 and attendance are set out on pages 2- 2(d) of the Annual Report.

Upon the recommendation of the Corporate Governance Committee of Rogers ('CGC'), the Board of VHCL has resolved to adopt the Code of Ethics of Rogers since VHCL is its subsidiary. The Board further adopted the Information & Policy Manual of Rogers. The said Code of Ethics and Information & Policy Manual are available on: https://www.rogers.mu/content/policies.

With regard to the Board Charter, the Board is of the view that its content is already found in the constitution of the Company and the prevailing legislation, rules and regulations.

The Board had further adopted the following documents, which are available on https://www.velogic.net.

- Constitution
- Organisational chart
- Position statements of key senior governance positions
- Statement of accountabilities
- Category of Directors and Balance of Skills
- Nomination Process and Appointment of Director
- Terms and Conditions relating to the Appointment of Non-Executive Directors (https://www.rogers.mu/content/board-directors)

The monitoring and review processes of the aforesaid documents are carried out by the Board of VHCL at the end of each financial year.

1.2 Board Committees

VHCL being a subsidiary of Rogers, its governance matters as well as risk management, internal control and audit matters are overseen by the Corporate Governance Committee ("CGC) and Risk Management and Audit Committee of Rogers ('RMAC') for the year ended June 30, 2020. The Terms and Reference of the CGC and charter of the RMAC are available on https://www.rogers.mu/content/governance.

The attendance of the members of the CGC and RMAC are set out in the governance section of the Rogers Annual Report 2020.

1.3 Board Meetings

The attendance is set out on page 4 (g) of the Annual Report.

[4d]

1.4 Appointment

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

During the financial year under review, the CGC of Rogers Capital, acting in its capacity as Nomination Committee, recommended to the Board the appointment of Mr. Mehul Hiteshkumar BHATT as additional non-executive Director on the Board of VHCL.

All Directors will stand for re-election at the upcoming Annual Meeting of Shareholders of the Company (the 'AMS'). The AMS will be carried out by way of a shareholder's resolution since VHCL is a private company.

1.5 Induction and Orientation

Upon appointment to the Board, the new Director receives an induction pack from the Company Secretary. An induction programme and orientation process is supervised by Senior Executives of the Company.

1.6 Professional Development

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.

On 05 March 2020, there was a training workshop on the implications of The Workers' Rights Act 2019 which was facilitated by Jurisconsult Chambers.

2. DIRECTORS' DUTIES

The Directors are aware of their legal duties and may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties and responsibilities.

2.1 Interests of Directors and conflicts of interest

There is no formal conflict of interest policy. However, in any case of conflict of interest, the conflicted directors disclose the nature and, when quantifiable, the amount, of their interest to the Board and same is recorded in the minutes of proceedings of the meetings of the Board.

The Company Secretary maintains a conflict of interests register as well as an interests register. The latter register is available for consultation to shareholders, upon written request to the Company Secretary.

2.2 Related party transactions

There is no formal related party transaction policy. However, related party transactions are disclosed and recorded in the minutes of proceedings of the meetings of the Board.

2.3 Board and Directors' Evaluation

The Board resolved that no Board evaluation be conducted for the year ended June 30, 2020 since there was a new director joining on Board. It is earmarked that such exercise be carried out in the financial year ending June 30, 2021 to allow new directors understanding 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 remain to be agreed.

2.4 Directors' remuneration

As a principle, the Executive and Non-Executive Directors of the Company who are employed by either the Rogers Group or Amethis are not entitled to any directors' fees. Moreover, there is no fee perceived by Mr Gilbert Espitalier-Noël for serving on the Board of the Company.

Furthermore, there is no share option scheme or bonuses associated with the performance of the Company for the Non-Executive Directors.

2.5 Company Secretaries

The Company Secretaries of the Company are Sharon Ah-Lin and Kunal Seeparsaund and their profiles are available on the websites of the Company.

3. RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

VHCL has two shareholders and communication with them are done through open dialogue and at board meetings. Furthermore, reports on the performance of VHCL and its subsidiaries are issued to the shareholders on a monthly basis.

Management of VHCL interacts with other stakeholders such as suppliers, banks, government through open dialogue as and when required. There is also direct interaction with clients and the use of social media is optimised to inform them of new products and services.

Moreover, a dedicated Corporate Governance corner is created onto the website of the Company. Shareholders and other stakeholders are welcomed to visit same to view and or download their relevant information.

In line with Principle 8 of the Code, the voting result(s) of any Annual/Special Meeting of Shareholders of VHCL will be available at its registered office.

3.1 Dividend Policy

VHCL has no formal dividend policy. Payment of dividend is subject to its profitability, its foreseeable investment, capital expenditure and working capital requirements. During the year under review, there was an interim dividend of Rs.24,350,000/- and a final dividend of Rs. 15,000,000/-.

4. DATA PROTECTION

VHCL is a registered controller with the Data Protection Office.

In keeping with Data Protection Act 2017, VHCL 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:.

- A Data Protection Policy, which summarises the principles which will be applied by VHCL when processing data;
- 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 same. The said notice is available at https://www.velogic.net; and
- An Information, Security and Technology Policy which sets out the IT safeguards which have been put in place to ensure security of data.

VHCL 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.

5. OTHER MATTERS

5.1 For Risk Governance and Internal Control and Audit sections, please refer to pages 4(g)- 4(k) of the Annual Report.

5.2 Health and Safety – The Company and all subsidiaries are compliant to all local health and safety regulations, which are in accordance with international guidelines. The health and safety of its employees is the main priority of the Company. The business units of VHCL are well versed in managing risks associated with Road Transport, Warehousing and all other logistics related risks.

5.3 Corporate Social Responsibility and Social Matters- VHCL and its subsidiaries work to support social enterprises in the field of waste management. Through such waste management programme, contribution is made in strengthening and supporting the circular economy

5.4 Sustainability - VHCL and its subisdiaries are committed to Rogers's engagement of "making the world a better place than the one we inherited" https://www.velogic.net/sustainability-inclusiveness/.

Its action revolves around three main themes, namely:

1. Waste Management with the 3Rs (Reduce, Reuse and Recycle).
2. Renewable Energy (Rain water harvest, study on installation of solar panels and fuel efficiency).
3. Education (continuous defensive driving for our lorry drivers and sensitization for cleaning the planet).

An Environmental Policy as well as Procurement Policies which includes environmental criteria were implemented.

5.5 Charitable and Political Contributions – There was no charitable and political contribution made by VHCL for the financial year under review.

Having taken into account all the matters considered by the Board and brought to its attention during the year, the Board is satisfied that the AFS taken as a whole are fair, balanced and understandable.

[4g]

6. CATEGORIES OF DIRECTORS AND ATTENDANCE AS AT JUNE 30, 2020

	Philippe Espitalier -Noël	**Gilbert Espitalier-Noël**	**Khady-Lika Kone-Dicoh**	**Damien Mamet**	**Nayendranath Nunkoo**	**Luc Rigouzzo**	**Naveen Sangeelee**	**Mehul Bhatt**
Appointment Date	30 September 2004	18 July 2011	17 December 2013	28 April 2017	21 June 2011	17 December 2013	29 August 2018	27 February 2020
Category	Chairman and NED	NED	NED	NED	ED	NED	ED	NED
Gender	M	M	F	M	M	M	M	M
Attendance	**3/3**	**1/3**	**3/3**	**3/3**	**3/3**	**3/3**	**3/3**	**2/2**

ED - Executive Director **NED** - Non-Executive Director
M - Male **F** - Female

N.B:

- The ED test was determined by using the criterion: A director involved in the day-to-day management of the Company.
- The NED test was based on the criteria of Principle 2 of the Code.
- For the year under review, the Board is satisfied with 2 ED and 6 NED appointed to the Board of VHCL given that the actual size and composition of the Board is, for the time being, optimal for the effective supervision of its affairs.
  (a) Save for Mrs Khady-Lika Kone-Dicoh and Mr Luc Rigouzzo, the other directors reside in Mauritius.
  (b) Size of the Board is determined by Article 15 of the Constitution of the Company.
  (c) Attendance refers to the board meetings December 06, 2020, June 16, 2020 and March 3, 2020.
  (d) The Board skills matrix will be available on https://www.velogic.net.
  (e) Directorship details are disclosed on the website of the Company.

7. COMPLIANCE STATEMENT

Throughout the year ended June 30, 2020, 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.

8. RISK GOVERNANCE AND INTERNAL CONTROL

The Board of Directors is responsible for the governance of risks of the Velogic Group (Holding Company and subsidiary companies) 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 safeguard the assets and reputation of the Group. 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 lines of defence:
(i) People, Process and Technology;
(ii) Management and Oversight;
(iii) Internal Audit; and
(iv) External Assurance.

The Risk Management and Audit Committee (RMAC) of the parent company (Rogers and Company Ltd- 'Rogers') and the Board of Velogic monitors 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 Velogic's system of internal controls.

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. 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.

Risk Management Process

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

<u>Identification, analysis and evaluation of risks</u>

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 RMAC and to the Board.
- Risk & Audit department performs a follow up on progress on implementation of recommendations and reports to the Board and RMAC.

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 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 regularly with the Chairman of the Committee without the presence of management.

The internal audit team also reports to the Board of Directors of Velogic following audits carried out. Risk based audits carried out during the financial year were in line with the established audit methodology and covered the following areas:

- Credit Risk - Debtors' Management
- Invoicing - Revenue
- Cash and Banking
- Safeguard of assets
- Fleet Management

Audit plan and department

Internal audit plan is prepared using a risk-based approach which includes the changes in risk profiles and emerging risks. The plan is set for three years and 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.

No material shortcomings in the design and effectiveness of internal controls, governance and risk management were reported during the year.

Non-audit services

Re-appointment of the external auditors is approved at the Annual Meeting of Shareholders of the Company and the existing external auditor has been appointed in line with prevailing legislations and with the Code.
For the year under review, there were no non-audit services rendered by the external auditor, KPMG.

[4j]

Principal Risks

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

Risks	Descriptions and context	Mitigating actions
Strategic risks		
Economic factors and market condition	Current crisis (due to COVID-19) has the following potential adverse effects: ▪ Economic recovery globally is slow, uneven and uncertain. ▪ Deterioration in main economic indicators such as GDP and consumption growth, inflation, and unemployment rate. ▪ Lower imports due to: - Adverse movements in of exchange rates. - Lower household consumption. ▪ Further decline of the textile sector in Mauritius affecting the export activity in freight forwarding. ▪ The increase in the level of current and expected competition may lead to loss of clients.	▪ Review current strategic plan so as to remain resilient. ▪ Speedy diversification of the customer base in freight forwarding activities. ▪ Monitor effect of exchange rates.
Client Concentration	▪ Activities concentrated on few major clients.	▪ Identification and evaluation of alternatives to reduce client concentration.
Financial risks		
Financial sustainability	Non-performing Investments ▪ Loss making businesses that need turnaround. ▪ Impact of a challenging business and economic environment in France.	▪ Project manager has been appointed to ensure implementation of strategy and turnaround of loss-making businesses. ▪ Progress and challenges will be reviewed at RMAC level. ▪ Rethink business model. ▪ Looking for new partnership opportunities for business in France.
Credit and liquidity	▪ Inappropriate credit assessment and default from debtors. ▪ Inability to meet financial obligations and loan covenants.	▪ Improvement of recoveries and reduction in arrears through stringent debtors' management. ▪ Cost containment measures implemented.
Operational risks		
Information Technology & Security	▪ Cyber threats such as fraudulent phishing attempts, spoofing e-mails, malware and / or ransomware. ▪ Inadequate security of data and privacy issues.	▪ Close monitoring and vulnerability assessments. ▪ Backup policies and procedures in place.

[4k]

Principal Risks (Continued)

Operational risks		
Business disruptions	▪ Risk of second wave of the pandemic in our geographies, resulting in another lockdown. ▪ Failure to provide a safe environment (sanitary/hygiene) for workers and clients. ▪ Restrictions in trade due to impact of border closure and lockdown in other countries. ▪ Supply chain disruptions in clients' businesses leading to decrease in demand for our services.	▪ Ensure adequate insurance cover. ▪ New health and safety policy and business continuity plan for epidemics/pandemics in place. ▪ Development and review of a comprehensive business continuity and crisis management plan is ongoing.
Talent Management	▪ Key-man dependency in overseas territories and lack of succession planning. ▪ Lack of adequate/missing skills in business and capability gaps in current teams. ▪ Low engagement level of our workforce.	▪ Adopt retention programmes that help boost employee morale and productivity. ▪ Maintain an appropriate communication plan for employees. ▪ Training programmes
Compliance risks		
Legal and regulatory	▪ Non-adherence to existing or new legislations and regulations. ▪ Changes in laws and regulations not communicated and training not provided. ▪ Non-compliance with internal controls.	▪ Communication and awareness session on impact of new legislations provided. ▪ Reinforcing internal controls and adequate segregation of duties. ▪ Training and awareness programme.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;
(ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year, the results of its operations and the cash flows for the year and which comply with International Financial Reporting Standard (IFRS), International Accounting Standards, the Companies Act and Financial Reporting Act;
(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.
The Directors report that:

(i) adequate accounting records and an effective system of internal control and risk management have been maintained while an internal audit function has been established;
(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
(iii) International Financial Reporting Standards and the Financial Reporting Act have been adhered to. Any departure has been disclosed, explained and quantified in the interest of fair presentation; and
(iv) the National Code of Corporate Governance for Mauritius (2016) has been adhered to in all material aspects.

The directors have made an assessment of the Group's and Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

ON BEHALF OF THE BOARD

....
Chairman Director

Date : 07 April 2021

In my capacity as Company Secretary of Velogic Holding Company Limited ('the Company'), I hereby confirm that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2020, all such returns as are required of the Company under the Companies Act 2001.

Company Secretary:

Date: 07 April 2021

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF VELOGIC HOLDING COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of VELOGIC HOLDING COMPANY LIMITED (the Group and Company), which comprise the consolidated and separate statements of financial position at 30 June 2020 and the consolidated and separate statements of profit or loss, 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 the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 108.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of VELOGIC HOLDING COMPANY LIMITED at 30 June 2020, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act.

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 Auditors' *responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - comparative information

We draw attention to Note 34 to the consolidated and separate financial statements which indicates that the comparative information presented at and for the years ended 30 June 2019 and 30 June 2018 have been restated. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF VELOGIC HOLDING COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Other matter relating to comparative information

The consolidated and separate financial statements of the Group and Company at and for the years then ended 30 June 2019 and 30 June 2018 (from which the statements of financial position at the beginning of the preceding period, 1 July 2019 have been derived), excluding the retrospective adjustments described in Note 34 to the consolidated and separate financial statements, were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 6 December 2019.

As part of our audit of the consolidated and separate financial statements at and for the year then ended 30 June 2020, we also audited the retrospective adjustments described in Note 34 to the consolidated and separate financial statements that were applied to restate the comparative information presented at 30 June 2019 and the statement of financial position as at 1 July 2019.

We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the years ended 30 June 2019 and 30 June 2018 (not presented therein) or to the statements of financial statements of financial position at the beginning of the preceding period 01 July 2019, other than with respect to the retrospective adjustments described in Note 34 to the consolidated and separate financial statements.

Accordingly, we do not express an opinion or any other form of assurance on comparative information. However, in our opinion, the retrospective adjustments described in Note 34 to the consolidated and separate financial statements are appropriate and have been properly applied.

Other information

The directors are responsible for the other information. The other information comprises the Statutory disclosures, Profiles of directors, Statement of compliance, Corporate governance report, Statement of directors' responsibilities and Secretary's certificate, but does not include the consolidated and separate financial statements and our auditors' report thereon.

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

In connection with our audit of the 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.

Responsibilities of directors for the consolidated and separate financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF VELOGIC HOLDING COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Responsibilities of directors for the consolidated and separate financial statements (Cont'd)

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF VELOGIC HOLDING COMPANY LIMITED

Report on the audit of the consolidated and separate financial statements

Auditors' responsibilities for the audit of the consolidated and separate financial statements (Continued)

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

Use of our report

This report is made solely to the Company's shareholders as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's shareholders as a body, those matters that we are required to state to them in an auditors' 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.

Report on other legal and regulatory requirements

Mauritius Companies Act

We have no relationship with or interests in the Group and in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance (the "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 Financial Reporting Act, complied with the requirements of the Code.

KPMG

KPMG
Ebène, Mauritius

Imtiaz Ajeda
Licensed by FRC

Date: **09 April 2021**

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2020

		THE GROUP			THE COMPANY		
	Notes	2020	Restated * 2019	Restated * At July 1, 2018	2020	Restated * 2019	Restated * At July 1, 2018
ASSETS		**Rs'000**	Rs'000	Rs'000	**Rs'000**	Rs'000	Rs'000
Non-current assets							
Property, plant and equipment*	5	**1,013,142**	920,832	905,144	**-**	-	-
Right-of-use assets	6	**303,258**	-	-	**-**	-	-
Investment property	7	**-**	-	22,542	**-**	-	-
Intangible assets*	8	**595,141**	591,920	602,515	**-**	-	-
Investment in subsidiaries	9	**-**	-	-	**1,099,211**	857,857	857,857
Financial assets at fair value through other comprehensive income	10	**2,715**	1,544	9,288	**-**	-	-
Financial assets at amortised cost	14	**-**	-	-	**-**	195,175	211,075
Deferred tax assets	11	**28,176**	12,533	11,885	**-**	-	-
		1,942,432	1,526,829	1,551,374	**1,099,211**	1,053,032	1,068,932
Current assets							
Inventories*	12	**34,850**	39,708	38,253	**-**	-	-
Trade receivables	13	**859,298**	993,990	867,445	**-**	-	-
Financial assets at amortised cost*	14	**134,456**	151,724	181,073	**69,515**	84,388	83,057
Prepayment		**37,511**	32,359	38,744	**522**	100	-
Current tax assets	15	**23,184**	14,980	26,700	**-**	-	-
Cash and cash equivalents	27(c)	**329,639**	207,287	207,926	**5,790**	5,672	1,013
		1,418,938	1,440,048	1,360,141	**75,827**	90,160	84,070
Non-current assets classified as held for sale	29(d)	**-**	-	6,038	**-**	-	-
Total assets		**3,361,370**	2,966,877	2,917,553	**1,175,038**	1,143,192	1,153,002
FINANCED BY							
Capital and reserves							
Share capital	16	**1,019,294**	1,019,294	1,019,294	**1,019,294**	1,019,294	1,019,294
Other reserves	17	**225,715**	178,884	184,920	**-**	-	-
Retained earnings*		**244,088**	211,836	156,364	**15,277**	16,947	29,146
Owners' interest		**1,489,097**	1,410,014	1,360,578	**1,034,571**	1,036,241	1,048,440
Non-controlling interests*		**172,487**	140,076	134,347	**-**	-	-
Total equity		**1,661,584**	1,550,090	1,494,925	**1,034,571**	1,036,241	1,048,440
Non-current liabilities							
Borrowings	18	**468,550**	314,095	351,287	**-**	-	-
Deferred tax liabilities*	11	**92,107**	81,779	83,998	**-**	-	-
Retirement benefits obligations	19	**89,460**	68,456	72,277	**-**	-	-
		650,117	464,330	507,562	**-**	-	-
Current liabilities							
Trade and other payables*	20	**623,244**	677,693	610,492	**27,930**	27,331	27,723
Current tax liabilities	15	**20,350**	10,769	7,722	**33**	127	146
Borrowings*	18	**390,850**	241,620	275,192	**97,504**	59,493	61,193
Dividend payable		**15,225**	22,375	17,115	**15,000**	20,000	15,500
		1,049,669	952,457	910,521	**140,467**	106,951	104,562
Liabilities directly associated with non-current assets classified as held-for-sale	29(d)	**-**	-	4,545	**-**	-	-
Total liabilities		**1,699,786**	1,416,787	1,422,628	**140,467**	106,951	104,562
Total equity and liabilities		**3,361,370**	2,966,877	2,917,553	**1,175,038**	1,143,192	1,153,002

These financial statements have been approved by the Board of Directors on 07 April 2021 and signed on its behalf by:

Signature

M. NAIRNICKO

Name of Director

Signature

NAVEEN SANGEELEE

Name of Director

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.
Auditor's report on pages 7 to 10.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS - YEAR ENDED JUNE 30, 2020

		THE GROUP		THE COMPANY	
			Restated*		
	Notes	**2020**	2019	**2020**	2019
		Rs'000	Rs'000	**Rs'000**	Rs'000
Continuing operations					
TOTAL REVENUE	21	**3,122,730**	3,415,225	**40,222**	33,871
Sales of services		**3,073,424**	3,369,471	**-**	-
Direct costs	22	**(1,934,576)**	(2,269,206)	**-**	-
		1,138,848	1,100,265	**-**	-
Commission and other income		**45,558**	43,100	**-**	-
Dividend and interest income		**3,748**	2,654	**40,222**	33,871
		1,188,154	1,146,019	**40,222**	33,871
Employee benefit expense*	23	**(644,541)**	(661,072)	**-**	-
Depreciation of:					
-property, plant and equipment*	5	**(99,557)**	(98,379)	**-**	-
-right-of-use assets	6	**(80,136)**	-	**-**	-
Amortisation of intangible assets*	8	**(10,183)**	(11,988)	**-**	-
Net impairment loss on financial assets*	13(a)	**(27,907)**	(5,661)	**-**	-
Other expenses*	22	**(164,018)**	(206,888)	**(942)**	(652)
Operating profit		**161,812**	162,031	**39,280**	33,219
Finance income	24(a)	**31,408**	19,152	**188**	43
Finance costs	24(b)	**(50,350)**	(32,550)	**(1,824)**	(745)
Profit before tax	25	**142,870**	148,633	**37,644**	32,517
Income tax expense*	15	**(38,380)**	(40,093)	**36**	(216)
Profit for the year from continuing operations		**104,490**	108,540	**37,680**	32,301
Discontinued operations					
Profit from discontinued operations	29	**-**	4,274	**-**	-
Profit for the year		**104,490**	112,814	**37,680**	32,301
Profit attributable to:					
Owners of the Company		**74,090**	99,972	**37,680**	32,301
Non-controlling interests		**30,400**	12,842	**-**	-
		104,490	112,814	**37,680**	32,301

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.

Auditor's report on pages 7 to 10.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2020

		THE GROUP		THE COMPANY	
			Restated*		
	Notes	**2020**	2019	**2020**	2019
		Rs'000	Rs'000	**Rs'000**	Rs'000
Profit for the year		**104,490**	112,814	**37,680**	32,301
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	5	**79,464**	-	**-**	-
Change in fair value of equity instruments at fair value through OCI*	10(a)	**1,518**	(3,675)	**-**	-
Remeasurement of post employment benefit obligations	19	**(16,735)**	(2,066)	**-**	-
Related tax	11(b)	**(8,211)**	150	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		**6,010**	(2,810)	**-**	-
Other comprehensive income for the year, net of tax		**62,046**	(8,401)	**-**	-
Total comprehensive income for the year		**166,536**	104,413	**37,680**	32,301
Total comprehensive income attributable to:					
Owners of the Company		**119,647**	93,936	**37,680**	32,301
Non-controlling interests		**46,889**	10,477	**-**	-
		166,536	104,413	**37,680**	32,301

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.
Auditor's report on pages 7 to 10.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2020

(a) THE GROUP	Notes	Attributable to owners of the Company				Non-controlling	
		Share capital	Other reserves*	Retained earnings*	Total	interests (NCI)*	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) 2019							
Balance at July 1, 2018							
- as previously reported		1,019,294	184,920	211,154	1,415,368	138,449	1,553,817
- prior period adjustments	34	-	-	(54,790)	(54,790)	(4,102)	(58,892)
- as restated*		1,019,294	184,920	156,364	1,360,578	134,347	1,494,925
Profit for the year		-	-	99,972	99,972	12,842	112,814
Other comprehensive income for the year		-	(6,036)	-	(6,036)	(2,365)	(8,401)
Total comprehensive income for the year		-	(6,036)	99,972	93,936	10,477	104,413
Transactions with owners of the Company							
Dividends	26	-	-	(44,500)	(44,500)	(4,748)	(49,248)
Balance at June 30, 2019		1,019,294	178,884	211,836	1,410,014	140,076	1,550,090

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.
Auditor's report on pages 7 to 10.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2020

		Attributable to owners of the Company					
(a) THE GROUP	Notes	Share capital	Other reserves*	Retained earnings*	Total	Non-controlling interests (NCI)*	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) **2020**							
Balance at July 1, 2019							
- as previously reported		1,019,294	180,758	272,780	1,472,832	147,414	1,620,246
- prior period adjustments	34	-	(1,874)	(60,944)	(62,818)	(7,338)	(70,156)
- as restated*		1,019,294	178,884	211,836	1,410,014	140,076	1,550,090
Profit for the year		-	-	74,090	74,090	30,400	104,490
Other comprehensive income for the year		-	45,557	-	45,557	16,489	62,046
Total comprehensive income for the year		-	45,557	74,090	119,647	46,889	166,536
Changes in ownership interests							
Acquisition of subsidiary with NCI	28(a)(ii)	-	-	-	-	(880)	(880)
Acquisition of NCI without a change in control	28(b)	-	-	(3,253)	(3,253)	(8,397)	(11,650)
Change in ownership interest in subsidiary	28(c)	-	1,274	765	2,039	(2,039)	-
Total changes in ownership interests		-	1,274	(2,488)	(1,214)	(11,316)	(12,530)
Transactions with owners of the Company							
Dividends	26	-	-	(39,350)	(39,350)	(3,162)	(42,512)
Balance at June 30, 2020		**1,019,294**	**225,715**	**244,088**	**1,489,097**	**172,487**	**1,661,584**

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.

Auditor's report on pages 7 to 10.

(b) THE COMPANY

	Notes	Share capital	Retained earnings	Total
		Rs'000	Rs'000	Rs'000
Balance at July 1, 2019		1,019,294	16,947	1,036,241
Profit for the year		-	37,680	37,680
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	37,680	37,680
Dividends	26	-	(39,350)	(39,350)
At June 30, 2020		**1,019,294**	**15,277**	**1,034,571**
Balance at July 1, 2018		1,019,294	29,146	1,048,440
Profit for the year		-	32,301	32,301
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	32,301	32,301
Dividends	26	-	(44,500)	(44,500)
At June 30, 2019		**1,019,294**	**16,947**	**1,036,241**

The notes on pages 18 to 108 form an integral part of these financial statements.
Auditor's report on pages 7 to 10.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - YEAR ENDED JUNE 30, 2020

		THE GROUP		THE COMPANY	
			Restated*		Restated*
	Notes	**2020**	2019	**2020**	2019
		Rs'000	Rs'000	**Rs'000**	Rs'000
Cash flows from operating activities					
Cash generated from/(absorbed in) operations*	27(a)	**478,937**	253,156	**(596)**	3,575
Interest paid		**(46,472)**	(30,629)	**(1,824)**	(745)
Interest received	21	**3,748**	2,654	**1,086**	1,121
Income tax paid*	15(a)	**(50,202)**	(27,970)	**(58)**	(235)
Net cash generated from/					
(absorbed in) operating activities		**386,011**	197,211	**(1,392)**	3,716
Cash flows from investing activities					
Acquisition of subsidiary, net of cash acquired	28(a)(iii)	**(263)**	-	**-**	-
Investment in subsidiaries	28(b)/ 9(a)	**(11,650)**	-	**(67,940)**	-
Purchase of property, plant and equipment*	27(b)	**(100,160)**	(84,550)	**-**	-
Purchase of intangible assets	8	**(13,608)**	(1,443)	**-**	-
Proceeds on sale of property, plant and equipment		**8,140**	12,243	**-**	-
Proceeds on disposal of equity investments		**-**	5,251	**-**	-
Proceeds from capital reduction of investee company		**-**	511	**-**	-
Proceed on disposal of subsidiary	29(a)	**-**	1,972	**-**	-
Dividends received		**-**	-	**44,608**	24,343
Loans granted to related parties		**-**	-	**(819)**	(10,500)
Loan repayments from related parties		**-**	-	**32,000**	28,800
Net cash (used in)/from investing activities		**(117,541)**	(66,016)	**7,849**	42,643
Cash flows from financing activities					
Proceeds from borrowings	27(d)	**188,106**	196,005	**24,231**	-
Payments of borrowings	27(d)	**(310,867)**	(216,215)	**(1,730)**	-
Loan received from related parties	27(d)	**126,250**	-	**19,000**	42,000
Loan repaid to related parties	27(d)	**(13,371)**	(9,375)	**(18,000)**	(43,700)
Principal paid on lease liabilities	27(d)	**(68,498)**	-	**-**	-
Interest paid on lease liabilities	27(d)	**(17,485)**	-	**-**	-
Payments of borrowings with					
other financial institutions	27(d)	**(16,146)**	(21,883)	**-**	-
Dividends paid to company's shareholders		**(44,350)**	(40,000)	**(44,350)**	(40,000)
Dividends paid to non-controlling interests		**(5,312)**	(3,988)	**-**	-
Net cash used in financing activities		**(161,673)**	(95,456)	**(20,849)**	(41,700)
Net increase/(decrease) in cash and cash equivalents		**106,797**	35,739	**(14,392)**	4,659
Movement in cash and cash equivalents					
At July 1,		**107,606**	74,267	**5,672**	1,013
Increase/(decrease)		**106,797**	35,739	**(14,392)**	4,659
Effect of foreign exchange rate changes		**23,601**	(2,400)	**2,484**	-
At June 30,	27(c)	**238,004**	107,606	**(6,236)**	5,672

* See note 34.

The notes on pages 18 to 108 form an integral part of these financial statements.

Auditor's report on pages 7 to 10.

1. GENERAL INFORMATION

Velogic Holding Company Limited is a limited liability company incorporated in the Republic of Mauritius on September 30, 2004 as a management and investment company for the Logistics Autonomous Division of Rogers & Company Limited. The immediate holding company is Rogers and Company Limited, the intermediate holding is Rogers Consolidated Shareholding Limited and its ultimate holding company is Société Caredas, all companies are incorporated in the Republic of Mauritius. Its registered office is situated at No.5 President John Kennedy Street, Port Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company on 07 April 2021

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Velogic Holding Company Limited comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS) under the going concern basis.

The financial statements include the consolidated financial statements of the parent company and its subsidiaries (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 are prepared under the historical cost convention, except that:
(i) land and building are carried at revalued amounts;
(ii) investment property are stated at fair value; and
(iii) relevant financial assets and financial liabilities are stated at their fair value.

The accounting policies apply to both the Group and the Company unless otherwise stated.

Changes in significant accounting policies

The Group initially applied IFRS 16 *Leases* from July 1, 2019. A number of other new standards are also effective from July 1, 2019 but they do not have a material effect on the Group's financial statements.

Definition of a lease
Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 2.7.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Changes in significant accounting policies (cont'd)

Definition of a lease (cont'd)

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after July 1, 2019.

A. As a lessee

As a lessee, the Group leases many assets including plant and equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

(i) *Leases classified as operating leases under IAS 17*

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at July 1, 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application: the Group applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Changes in significant accounting policies (cont'd)

A. As a lessee (cont'd)

(ii) *Leases classified as finance leases under IAS 17*

The Group leases a number of items of production equipment. These leases were classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at July 1, 2019 were determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

Impact on financial statements

(i) ***Impact on transition***

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	Notes	July 1, 2019
		Rs'000
Right-of-use assets	6	356,538
Lease liabilities	18(d)	356,538

For the impact of IFRS 16 on profit or loss for the period, see note 6 and note 18. For the details of accounting policies under IFRS 16 and IAS 17, see note 2.7.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payment using its incremental borrowing rate at July 1, B1682019. The weighted-average rate applied is between 0.5% and 13.0%.

	July 1, 2019
	Rs'000
Operating lease commitments as June 30, 2019	356,538
Finance lease liabilities recognised as at June 30, 2019	48,197
Lease liabilities recognised at July 1, 2019	404,735

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020

Standard/Interpretation		Date issued by IASB	Effective date Periods beginning on or after
Conceptual Framework amendments	*Amendments to References to Conceptual Framework in IFRS Standards*	March 2018	January 2020
IFRS 3 amendment	*Definition of a Business*	October 2018	January 2020
IAS 1 and 8 amendments	*Amendments to the definition of Material*	October 2018	January 2020
IFRS 16 amendment	*Covid-19-Related Rent Concessions*	May 2020	June 2020
IAS 37 amendment	*Onerous Contracts: Cost of Fulfilling a Contract*	May 2020	January 2022
IFRS 1, IFRS 9, IFRS 16 and IAS 41 amendments	*Annual Improvements to IFRS Standards (2018 - 2020)*	May 2020	January 2022
IAS 16 amendment	*Property, Plant and Equipment: Proceeds before Intended Use*	May 2020	January 2022
IFRS 3 amendment	*Reference to the Conceptual Framework*	May 2020	January 2022
IAS 1 amendment	*Classification of liabilities as current or non-current*	January 2020	January 2023

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was

unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions;
- updated recognition criteria for assets and liabilities; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing a separate accompanying document, *Amendments to References to the Conceptual Framework in IFRS Standards*, which outlines the consequential amendments made to affected IFRS standards. This was done to support transition to the revised Conceptual Framework for companies that develop and apply accounting policies using the Conceptual Framework when no IFRS standard or interpretation applies to a particular transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020 (cont'd)

Amendments to References to Conceptual Framework in IFRS Standards (cont'd)

The revised Conceptual Framework will form the basis of new IFRS standards set by the IASB as well as future amendments to existing IFRS standards.

Although we expect this to be rare, some companies may use the Conceptual Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 1, 2020, unless the new guidance contains specific scope outs (e.g. regulatory account balances).

Companies that previously developed their own accounting policies based on the old Conceptual Framework will need to consider the impact of the above amendments on their existing policies. Companies will need to consider, amongst others:

- to what extent an asset can be split into different rights and the impact on recognition and derecognition;
- which future actions/costs a company has no ‘practical ability’ to avoid;
- what to do if the company retains some rights after the transfer of an asset;
- what factors to consider when selecting a measurement basis;
- when to classify income and expenses in other comprehensive income; and
- when to remove assets and liabilities from the financial statements.

Companies will also need to consider the impact of the changes to the definitions of the following concepts on their existing accounting policies that have been developed based on the old Conceptual Framework:

- Prudence;
- Stewardship;
- Measurement uncertainty; and
- Substance over form.

The amendments are not expected to have an impact on the Group's financial statements.

Definition of a Business (Amendments to IFRS 3)
Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020 (cont'd)

Definition of a Business (Amendments to IFRS 3) (cont'd)

In October 2018 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process, and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2020 and to asset acquisitions that occur on or after the beginning of that period. This standard is not expected to have a significant impact on the Group's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The IASB has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from July 1, 2020 but may be applied earlier. However, the Board does not expect significant change - the refinements are not intended to alter the concept of materiality.

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020 (cont'd)

COVID-19-Related Rent Concessions (Amendments to IFRS 16) (cont'd)
The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The amendments are effective for periods beginning on or after June 1, 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

The amendments are not expected to have an impact on the Group's financial statements.

Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards

Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:
- the incremental costs - e.g. direct labour and materials; and
- an allocation of other direct costs - e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after July 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated.

The directors are still assessing the impact of these amendments on the Group's financial statements.

Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020 (cont'd)

Annual Improvements to IFRS Standards 2018-2020 (cont'd)

IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the 10 per cent test" for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

The amendments are effective for annual reporting periods beginning on or after July 1, 2022 with earlier application permitted. The directors are still assessing the impact of these amendments on the Group's financial statements.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and

- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after July 1, 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

The directors are still assessing the impact of these amendments on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Summary of Standards and Interpretations not yet effective for June 30, 2020 (cont'd)

Reference to the Conceptual Framework (Amendments to IFRS 3)
The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after July 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The directors are still assessing the impact of this amendment on the Group's financial statements.

Classification of liabilities as current or non-current (Amendments to IAS 1)
Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments are to be applied retrospectively from the effective date. The directors are still assessing the impact of these amendments on the Group's financial statements.

2.2 Property, plant and equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at its fair value based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings. At the date of revaluation, the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. 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.

Increases in the carrying amount arising on revaluation of land 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 surplus directly in equity; all other decreases are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment (cont'd)

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. It is applied at the following rates:

Freehold buildings and buildings and yard on leasehold land	7 - 50 years
Plant and equipment	5 - 10 years
Motor vehicles	4 - 5 years
Furniture, fixtures and equipment	4 - 6.67 years

Freehold land and yard are not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted 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.

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 surplus are transferred to retained earnings.

2.3 Investment property

Investment property, held to earn rentals or for capital appreciation or both and not occupied by the Group are measured initially at cost, including transaction costs. Subsequent to initial recognition investment properties are carried at fair value, representing open-market value determined annually by external valuers. Changes in the fair values are included in profit or loss as part of other income.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

2.4 Intangible assets

(a) *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 2.5) less accumulated impairment losses, if any.

Goodwill is tested annually for impairment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Intangible assets (cont'd)

(b) *Computer software*
Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives (3-5 years).

(c) *Concession rights*
Concession rights acquired by the Group are initially recorded at cost and amortised over their estimated useful lives (60 years).

(d) *Customer related intangibles*
Customer related intangibles acquired by the Group are initially recorded at cost and amortised over their estimated useful lives (7-10 years).

2.5 Investment in subsidiaries

Separate financial statements of the Company
In the separate financial statements of the Company, investment in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

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 though 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. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

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 of shares to non-controlling interests are also recorded in equity.

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value, with the resulting gain or loss recognised in statements of profit or loss. Amounts previously recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed. Changes in the Group's interests in subsidiaries 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 subsidiaries. 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 in equity attributable to owners of the Company. When the Group disposes or loses control of a subsidiary, the profit or loss is calculated as the difference between the consideration received, grossed up for any non-controlling interest, and the fair value of assets (including goodwill) and liabilities. Amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Investment in subsidiaries (cont'd)

Business combinations (cont'd)
If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

2.6 Financial instruments

(i) *Recognition and initial measurement*
Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*
Financial assets
On initial recognition, a financial asset is classified as measured at: amortised cost and FVOCI - equity investment.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*
Financial assets (cont'd)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets - Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets:
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Financial assets-Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) *Derecognition*

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial instruments (cont'd)

(iii) *Derecognition (cont'd)*

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

Policy applicable from July 1, 2019
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Leases (cont'd)

Policy applicable from July 1, 2019 (cont'd)
As a lessee (cont'd)
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by consulting a valuation expert.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Leases (cont'd)

Policy applicable before July 1, 2019

For contracts entered into before January 1, 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
- the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or

  facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) *As a lessee*

In the comparative period, as a lessee the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax expense

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met as per below:
(i) the Group has a legal right to offset; and
(ii) the Group intends to settle on a net basis.

An entity will normally have a legally enforceable right to set off a current tax asset against a current tax liability when they relate to income taxes levied by the same taxation authority and the taxation authority permits the entity to make or receive a single net payment.

Corporate Social responsibility (CSR)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax expense (cont'd)

COVID-19 Levy

A levy has been imposed by the Mauritian government on companies that have benefited from the wage assistance subsidy programme (GWAS) to assist companies to pay the salaries of their full-time or part-time employees as follows:

For the first year of tax assessment the levy is payable on the lower of:
1. the amount received under the Wage Assistance Scheme; and
2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

Whereas for the second applicable year of assessment, the amount received under the Wage Assistance Scheme is more than the first payment of COVID-19 Levy or no payment has been made, the COVID-19 Levy is payable on the lower of:

1. the amount received under the Wage Assistance Scheme less the COVID-19 Levy paid for the first year of assessment; and

2. 15% of the tax adjusted profit for the year before deducting any tax loss brought forward.

The Group has accounted for the COVID-19 Levy under income tax expense and current tax liabilities.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax expense (cont'd)

Deferred tax (cont'd)
Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

2.11 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 least twelve months after end of reporting period.

2.12 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.

(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.

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

2.12 **Retirement benefit obligations (cont'd)**

(b) *Defined benefit plans (cont'd)*

The liability recognised in the statements of financial position in respect of defined benefit pension plan 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 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 pensioners*
For pensioners (former employees) who are not covered under any pension plan, the net present value of pension payable as per the terms of the contractual agreement is calculated by a qualified actuary and provided for.

(d) *Termination benefits*
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(e) *Gratuity on retirement*
The Company is required under the Employment Rights Act 2008 (the “ERA”) to make a statutory gratuity payment to employees retiring after continuous employment with the Company for a period of 12 months or more. The employee needs to have reached retirement age as prescribed by the ERA to be eligible for the gratuity payment.

The Company calculates its net obligations in respect of defined benefit pension plans arising from the ERA for employees by estimating the amount of future benefit that its employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine the present value. The discount rate is the yield at the end of the reporting period.

The net present value of gratuity on retirement payable under the ERA is calculated by a qualified actuary (AON Hewitt) using the projected unit credit method on a yearly basis.

The Company is eligible to deduct employer’s share of contributions from the above defined contribution plans maintained by the Company to the extent as prescribed by the ERA, which may or may not leave a residual liability to be provided for in the financial statements. The obligations arising under this item are not funded.

In accordance with the Employment Rights Act, the amounts deductible are:

• half the lump sum payable from the defined contribution scheme, based on employer’s contribution;
• five times the amount of any annual pension payable at the retirement age due from the defined contribution, based on employer’s contribution;
• any other gratuity granted at the retirement age; and
• ten times the amount of any other annual pension granted at the retirement age.

2.13 **Trade and other payables**

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Foreign currencies

(a) *Functional and presentation currency*
Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Mauritian Rupees which is the Company's functional and presentation currency.

(b) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

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.

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

(c) *Group companies*
The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a

functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the exchange rate at the date of that statement of financial position;
(ii) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

Goodwill and fair value adjustments arising on acquisition, are translated into Mauritian rupee at the exchange rates at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Impairment (cont'd)

Non-financial assets (cont'd)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Revenue recognition

(a) *Revenue from contracts with customers*

Performance obligations and timing of revenue recognition
Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services.

The Group provides courier services, freight forwarding, packing of special sugars, port related and transport services, shipping services and warehousing.

Determining the transaction price
Revenue is derived from the fixed price for each contract and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations
For most contracts, there is a fixed unit price for each service rendered, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each service ordered in such contracts (it is the total contract price divided by the type of services rendered).

Practical Exemptions
The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Revenue recognition (cont'd)

(b) Other revenues earned by the Group are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Commission and other income is recognised as it accrues unless collectability is in doubt.
- Dividend income is recognised when the shareholders' right to receive payment is established.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are declared.

2.18 Acquisitions of entities under common control

A business combination involving entities or businesses under common control is "a business combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory.

The Group had an accounting policy choice to record the transaction under book value accounting or under purchase method and it had elected to use purchase method considering it as the most appropriate method.

The steps of purchase accounting include:

-Identifying the acquirer

-Determining the date of acquisition

-Recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree

-Recognising or measuring goodwill or a gain from a bargain purchase.

-Recognition of deferred tax on initial temporary differences

<u>Recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree.</u>

The identifiable assets, liabilities and contingent liabilities of the acquire that exist at the date of acquisition are recognised in the consolidated financial statements and measured at fair value.

In determining whether an asset or liability should be recognised as part of the purchase accounting, only assets, liabilities and contingent liabilities of the acquire that existed at the date of acquisition may be recognised.

2.19 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use. This condition is regarded as met only, when the sale is highly probable and the asset is available for immediate sale in its present condition.

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

2.20 Finance income and finance costs

The Group’s finance income and finance costs include:

- interest expense;
- the foreign currency gain on financial assets and financial liabilities;

Interest expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Finance income and finance costs (cont'd)

In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the amortised cost of the liability.

2.21 Wage subsidy

In response to the COVID-19 coronavirus pandemic, in March 2020 the Government of Mauritius introduced a wage subsidy program for companies to ensure that all employees are duly paid their salary.

Wage subsidy that compensates the Mauritian subsidiaries for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

2.22 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risk factors, including:
(a) market risk;
(b) credit risk;
(c) liquidity risk; and
(d) cash flow and fair value interest rate risk.

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

Risk management is carried out by treasury department under policies approved by the Board of Directors. Treasury identifies, evaluates and hedges financial risks in close cooperation with the operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investment of excess liquidity.

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 changes in market prices - e.g. currency risk and price risk - will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) **Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro, Kenya Shilling, British Pound Sterling and US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Management has set up a policy to require the Group to manage its foreign exchange risk exposure with treasury. The Group also manages the exposure to currency variations by matching receipts and disbursements.

The Group has investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) **Market risk (cont'd)**

(i) **Currency risk (cont'd)**

Currency profile

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

THE GROUP	**2020** Financial assets	**2020** Financial liabilities	2019 Financial assets	2019 Financial liabilities
	Rs'000	**Rs'000**	Rs'000	Rs'000
Rupee	**339,796**	**981,796**	358,928	483,447
Euro	**414,258**	**242,082**	483,416	502,877
US Dollar	**237,501**	**93,382**	112,296	104,407
Great Britain (GB) Pound	**12,005**	**20,705**	410	789
Kenya Shilling	**239,138**	**80,722**	253,318	57,018
Others	**83,410**	**79,182**	146,177	107,245
	1,326,108	**1,497,869**	1,354,545	1,255,783

THE COMPANY	**2020** Financial assets	**2020** Financial liabilities	2019 Financial assets	2019 Financial liabilities
	Rs'000	**Rs'000**	Rs'000	Rs'000
Rupee	**75,305**	**103,423**	285,235	106,824
Euro	**-**	**37,011**	-	-
	75,305	**140,434**	285,235	106,824

Sensitivity analysis

At the end of reporting date, if the rupee had weakened/strengthened against the following currencies with all the variables remaining constant, the impact on the pre-tax profit and total equity for the period would have been shown in the table below, mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated financial assets and liabilities.

Group entities are taxed at a rate ranging from 15% to 28%.

Impact on pre-tax profit and total equity :

THE GROUP	**2020** % change	**2020** Financial assets	**2020** Financial liabilities	2019 % change	2019 Financial assets	2019 Financial liabilities
		Rs'000	**Rs'000**		Rs'000	Rs'000
Euro	**11%**	**45,568**	**26,629**	-1%	(4,834)	(5,029)
US Dollar	**12%**	**28,500**	**11,206**	2%	2,246	2,088
GB Pound	**9%**	**1,080**	**1,863**	-1%	(4)	(8)
Kenya Shilling	**8%**	**19,131**	**6,458**	1%	2,009	452
Others	**5%**	**4,171**	**3,959**	-2%	(2,924)	(2,145)
		98,450	**50,115**		(3,507)	(4,642)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(a) Market risk (cont'd)

(i) Currency risk (cont'd)

Impact on pre-tax profit and total equity :

THE COMPANY	**2020**			2019		
	% change	**Financial assets**	**Financial liabilities**	% change	Financial assets	Financial liabilities
		Rs'000	**Rs'000**		Rs'000	Rs'000
Euro	11%	**-**	**4,071**	-1%	-	-

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from financial assets at fair value through other comprehensive income, financial assets at amortised cost, trade receivables and cash and cash equivalents.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted. The main bank has been rated by the leading independent agency namely Moody's as ba1.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) **Credit risk (cont'd)**

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	THE GROUP		THE COMPANY	
		Restated*		Restated*
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Financial assets at fair value through other comprehensive income	**2,715**	1,544	**-**	-
Financial assets at amortised cost	**134,456**	151,724	**69,515**	279,563
Trade receivables	**859,298**	993,990	**-**	-
Cash and cash equivalents	**329,639**	207,287	**5,790**	5,672
	1,326,108	1,354,545	**75,305**	285,235

* See note 34.

Financial assets at amortised cost includes loans advanced to related parties after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely. As of date, there is no indication that the subsidiaries will not be able to repay the loan on due date.

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 out based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers on credit are made after a careful analysis of the financial soundness of the counterparties. Obligations of the counterparties are monitored closely.

The Group 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.

The expected loss rates are based in the payment profiles of sales over a period of 3 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP to be the most relevant factor, and accordingly adjusts the historical rates based on expected changes in these factors. The gross domestic product used for 2020 is (-10.2% to 1%) and the forward-looking overlay for 2021 is (- 7% to 6%). This has been used to reflect difference between economic conditions during the period over which the historical data has been collected, current conditions and the Groups view of economic conditions over the expected lives of the receivables. The measurement of the expected credit losses excludes trade receivables which are insured and/or are based on internal or external ratings.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) **Credit risk (cont'd)**

On that basis, the loss allowance as at June 30, 2020 and June 30, 2019 is disclosed in note 13(a).

The Group has adopted the general approach for measuring ECL for financial assets at amortised cost.

Under the general approach, the Expected Credit Losses (ECL) is measured as below:
ECL=PD×LGD×EAD

Where:

- ECL refers to the Expected Credit Losses;
- PD - This is the Probability of Default currently defined as the probability that the receivable will remain outstanding for more than 90 days;
- LGD - Loss Given Default denotes the share of losses, that is, the actual receivable's loss in the event of customer default, or what is expected to be irrecoverable from among the assets in insolvency proceedings; and
- EAD - Exposure at Default is the amount outstanding at the reporting date.

The directors have considered the probability of default over 12 months derived from public available credit rating such as Moody's and Standard & Poor's. The expected loss given default has been derived using the Basel III Guidelines for uncollaterised asset. The ECL model resulted in an immaterial impairment.

(c) **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 marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market position.

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

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) Liquidity risk (cont'd)

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

THE GROUP		Contractual cash flows					
	Carrying amount	2 months or less	2-12 months	1-2 years	2-5 years	Later than 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2020							
Trade and other payables	**623,244**	**-**	**623,244**	**-**	**-**	**-**	**623,244**
Bank loans	**191,937**	**28,699**	**78,128**	**36,820**	**62,655**	**-**	**206,302**
Loan from related parties	**150,379**	**-**	**52,108**	**42,277**	**67,813**	**2,838**	**165,036**
Other loans	**70,798**	**402**	**70,396**	**-**	**-**	**-**	**70,798**
Lease liabilities	**315,594**	**55,856**	**36,775**	**65,701**	**97,138**	**272,539**	**528,009**
Borrowings with other financial institutions	**39,057**	**3,422**	**14,031**	**11,477**	**14,246**	**-**	**43,176**
Bank overdrafts	**91,635**	**-**	**91,635**	**-**	**-**	**-**	**91,635**
Dividend payable	**15,225**	**15,225**	**-**	**-**	**-**	**-**	**15,225**
	1,497,869	**103,604**	**966,317**	**156,275**	**241,852**	**275,377**	**1,743,425**
At June 30, 2019							
Trade and other payables	677,693	-	677,693	-	-	-	677,693
Bank loans	297,881	4,891	100,468	63,206	119,122	40,275	327,962
Loan from related parties	37,500	-	11,569	11,020	10,472	9,923	42,984
Other loans	72,456	380	1,901	49,847	-	-	52,128
Borrowings with other financial institutions	48,197	4,005	18,778	14,678	16,148	-	53,609
Bank overdrafts	99,681	-	99,681	-	-	-	99,681
Dividend payable	22,375	22,375	-	-	-	-	22,375
	1,255,783	31,651	910,090	138,751	145,742	50,198	1,276,432

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(c) **Liquidity risk (cont'd)**

THE COMPANY

	Carrying amount	Contractual cash flows: 2 months or less	2-12 months	1-2 years	2-5 years	Later than 5 years	Total
At June 30, 2020	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Trade and other payables	**27,930**	**-**	**27,930**	**-**	**-**	**-**	**27,930**
Bank loans	**24,985**	**28,076**	**-**	**-**	**-**	**-**	**28,076**
Loan from related parties	**60,493**	**-**	**60,493**	**-**	**-**	**-**	**60,493**
Bank overdrafts	**12,026**	**-**	**12,026**	**-**	**-**	**-**	**12,026**
Dividend payable	**15,000**	**15,000**	**-**	**-**	**-**	**-**	**15,000**
	140,434	**43,076**	**100,449**	**-**	**-**	**-**	**143,525**
At June 30, 2019							
Trade and other payables	27,331	-	27,331	-	-	-	27,331
Loan from related parties	59,493	-	59,493	-	-	-	59,493
Dividend payable	20,000	-	20,000	-	-	-	20,000
	106,824	-	106,824	-	-	-	106,824

3. **FINANCIAL RISK MANAGEMENT (CONT'D)**

3.1 **Financial Risk Factors (cont'd)**

(d) **Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

The Group has an interest rate policy which aims at minimising the annual interest costs and reduce volatility. The cost of debt is managed by effective negotiation directly with banks and other financial

Sensitivity analysis

THE GROUP

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the year would have been Rs 3.690 million (2019: Rs 2.592 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

THE COMPANY

At the end of reporting date, if interest rates on borrowings had been 50 basis points higher/lower with all variables held constant, pre-tax profit and total equity for the year would have been Rs 0.125 million lower/higher (2019: Rs Nil), mainly as a result of higher/lower interest expense on floating rate borrowings.

3.2 **Capital risk management**

The Group's and the Company's objectives when managing capital are:

- to safeguard the Group's and the Company'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 providing products and services commensurately with the level of risk.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage 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 and the Company monitor capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt (as shown on the statements of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, other reserves, non-controlling interests and retained earnings).

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Capital risk management (cont'd)

The debt-to-adjusted capital ratios at June 30, 2020 and at June 30, 2019 were as follows:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total debts (note 18)	**859,400**	555,715	**97,504**	59,493
Less: Cash and cash equivalents	**(329,639)**	(207,287)	**(5,790)**	(5,672)
Net debt	**529,761**	348,428	**91,714**	53,821
Adjusted capital	**1,661,584**	1,550,090	**1,034,571**	1,036,241
Debt-to-adjusted capital ratio	**32%**	22%	**9%**	5%

The net debt to equity ratio changed from 22% in 2019 to 32% in 2020 for the Group following the adoption of IFRS 16 Leases. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on July 1, 2019. The net debt to equity ratio changed from 5% in 2019 to 9% in 2020 for the Company due to an increase in borrowings.

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

3.3 Fair value estimation

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Accounting classification and fair values

A number of the Group's and the Company’s accounting policies and disclosures requires the measurement of fair values, for both financial and non-financial assets and liabilities.

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

The Group	Carrying Value			Fair Value			
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020							
Financial assets measured at fair value							
Financial assets at fair value through other comprehensive income	-	2,715	-	-	-	2,715	2,715
Financial assets not measured at fair value							
Trade receivables	859,298	-	-	-	-	-	-
Financial assets at amortised cost	134,456	-	-	-	-	-	-
Cash and cash equivalents	329,639	-	-	-	-	-	-
	1,323,393	**2,715**	**-**	**-**	**-**	**2,715**	**2,715**
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	468,550	-	-	-	-
Borrowings - current	-	-	390,850	-	-	-	-
Trade and other payables	-	-	623,244	-	-	-	-
Dividend payable	-	-	15,225	-	-	-	-
	-	**-**	**1,497,869**	**-**	**-**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

	Carrying Value			Fair Value			
The Group	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2019							
Financial assets measured at fair value							
Financial assets at fair value through other comprehensive income	-	1544	-	-	-	1,544	1,544
Financial assets not measured at fair value							
Trade receivables	993,990	-	-	-	-	-	-
Financial assets at amortised cost	151,724	-	-	-	-	-	-
Cash and cash equivalents	207,287	-	-	-	-	-	-
	1,353,001	**1,544**	**-**	**-**	**-**	**1,544**	**1,544**
Financial liabilities not measured at fair value							
Borrowings - non current	-	-	314,095	-	-	-	-
Borrowings - current	-	-	241,620	-	-	-	-
Trade and other payables	-	-	677,693	-	-	-	-
Dividend payable	-	-	22,375	-	-	-	-
	-	**-**	**1,255,783**	**-**	**-**	**-**	**-**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Fair value estimation (cont'd)

Accounting classification and fair values (cont'd)

	Carrying Value		Fair Value			
The Company	Financial assets at amortised cost	Financial liabilities at amortised cost	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020						
Financial assets not measured at fair value						
Financial assets at amortised cost	69,515	-	-	-	-	-
Cash and cash equivalents	5,790	-	-	-	-	-
	75,305	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value						
Borrowings	-	97,504	-	-	-	-
Trade and other payables	-	27,930	-	-	-	-
Dividend payable	-	15,000	-	-	-	-
	-	**140,434**	**-**	**-**	**-**	**-**
2019						
Financial assets not measured at fair value						
Financial assets at amortised cost- Non-Current	195,175	-	-	-	183,716	183,716
Financial assets at amortised cost-Current	84,388	-	-	-	-	-
Cash and cash equivalents	5,672	-	-	-	-	-
	285,235	-	-	-	183,716	183,716
Financial liabilities not measured at fair value						
Borrowings	-	59,493	-	-	-	-
Trade and other payables	-	27,331	-	-	-	-
Dividend payable	-	20,000	-	-	-	-
	-	**106,824**	**-**	**-**	**-**	**-**

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) **Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.4(a). These calculation require the use of estimates as stated in note 8(c).

(b) **Pension benefits**

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

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of 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 obligation.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 19.

(c) **Revaluation of property, plant and equipment**

The Group carries its land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Group engaged independent valuation specialists to determine fair value as at June 30, 2020. The key valuation technique assumptions used to determine the fair value of property, plant and equipment are further explained in note 5.

(d) **Limitation of sensitivity analysis**

The sensitivity analysis in respect of market risk demonstrate 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 be noted that these sensitivities are non-linear and larger or smaller impacts should be interpolated or extrapolated from these results.

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

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

4.1 Critical accounting estimates and assumptions (cont'd)

(e) **Impairment of financial assets**

The loss allowance 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 Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The forward looking overlay used was GDP which has been significantly impacted by COVID-19. Elements of the ECL models that are considered as accounting judgements and estimates include mainlythe development of ECL models including the various formulas and the choice of input which normally include determination of associations between macro economics scenarios and economic inputs such as gross domestic products rate and collateral values and probability of default (PPD), Exposure At Default (EAD).

(f) **Asset lives and residual values**

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

(g) **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 the 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.

(h) **Impairment of assets**

Goodwill is considered for impairment at least annually. Property, plant and equipment, and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Cash flows which are utilised in these assessments are extracted from formal business plans which are updated annually. The Group utilises the valuation model to determine asset and cash-generating unit values supplemented, where appropriate, by discounted cash flow and other valuation techniques.

5. **PROPERTY, PLANT AND EQUIPMENT**

(a) THE GROUP

	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment		Furniture, fixtures and equipment	Motor vehicles		Total
				Owned	Leased		Owned	Leased	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **COST OR VALUATION**									
At July 1, 2019									
- cost	-	-	-	699,489	53,425	87,387	87,837	59,179	987,317
- valuation	136,818	30,823	437,203	-	-	-	-	-	604,844
- as previously reported	136,818	30,823	437,203	699,489	53,425	87,387	87,837	59,179	1,592,161
- prior period adjustment (note 34)	-	-	-	-	-	5,348	-	-	5,348
- as restated	136,818	30,823	437,203	699,489	53,425	92,735	87,837	59,179	1,597,509
Additions	-	435	3,520	71,199	-	14,564	10,442	7,006	107,166
On acquisition of subsidiary (note 28)	-	-	-	-	-	707	33	-	740
Disposals	-	-	-	(27,403)	(3,006)	(1,406)	(5,331)	(4,825)	(41,971)
Transfer to intangible assets (note 8)	-	-	-	-	-	(452)	-	-	(452)
Impairment losses	-	-	-	(300)	-	-	-	(1,781)	(2,081)
Revaluation surplus	24,559	16,326	(10,073)	-	-	-	-	-	30,812
Transfer	-	(344)	(4,488)	23,158	(33,636)	47,762	(39,672)	7,220	-
Exchange differences	1,714	1,630	24	23,614	-	(3,456)	1,064	-	24,590
At June 30, 2020									
- cost	**-**	**-**	**-**	**789,757**	**16,783**	**150,454**	**54,373**	**66,799**	**1,078,166**
- valuation	**163,091**	**48,870**	**426,186**	**-**	**-**	**-**	**-**	**-**	**638,147**
	163,091	**48,870**	**426,186**	**789,757**	**16,783**	**150,454**	**54,373**	**66,799**	**1,716,313**
DEPRECIATION/ IMPAIRMENT									
At July 1, 2019									
-as previously stated	-	1,588	37,702	445,194	24,862	65,973	77,312	30,846	683,477
- prior period adjustment (note 34)	-	-	-	(7,159)	-	359	-	-	(6,800)
-as restated	-	1,588	37,702	438,035	24,862	66,332	77,312	30,846	676,677
Charge for the year	-	1,418	10,938	57,766	1,693	11,114	8,481	8,147	99,557
On acquisition of subsidiary (note 28)	-	-	-	-	-	371	10	-	381
Disposal adjustments	-	-	-	(25,512)	(3,006)	(1,040)	(5,148)	(4,825)	(39,531)
Impairment losses	-	-	-	(150)	-	-	-	(1,781)	(1,931)
Revaluation adjustment	-	(3,087)	(45,565)	-	-	-	-	-	(48,652)
Transfer	-	-	(3,097)	12,482	(13,078)	38,052	(32,945)	(1,414)	-
Exchange differences	-	81	22	14,668	-	1,113	786	-	16,670
At June 30, 2020	**-**	**-**	**-**	**497,289**	**10,471**	**115,942**	**48,496**	**30,973**	**703,171**
NET BOOK VALUES									
At June 30, 2020	**163,091**	**48,870**	**426,186**	**292,468**	**6,312**	**34,512**	**5,877**	**35,826**	**1,013,142**

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

(a) THE GROUP	Freehold land and yard	Freehold buildings	Buildings and yard on leasehold land	Plant and equipment Owned	Plant and equipment Leased	Furniture, fixtures and equipment	Motor vehicles Owned	Motor vehicles Leased	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(ii) **COST OR VALUATION**									
At July 1, 2018									
- cost	-	-	-	677,676	53,425	78,534	90,528	45,398	945,561
- valuation	124,517	20,260	433,357	-	-	-	-	-	578,134
- as previously reported	124,517	20,260	433,357	677,676	53,425	78,534	90,528	45,398	1,523,695
- prior period adjustment (note 34)	-	-	-	-	-	3,320	-	-	3,320
- as restated	124,517	20,260	433,357	677,676	53,425	81,854	90,528	45,398	1,527,015
Additions	-	-	3,844	66,187	-	11,328	3,191	15,789	100,339
Transfer from investment property (note 7)	12,231	10,487	-	-	-	-	-	-	22,718
Disposals	-	-	-	(45,264)	-	(210)	(5,413)	(2,008)	(52,895)
Impairment losses	-	-	-	-	-	(402)	-	-	(402)
Exchange differences	70	76	2	890	-	165	(469)	-	734
At June 30, 2019									
- cost	-	-	-	699,489	53,425	92,735	87,837	59,179	992,665
- valuation	136,818	30,823	437,203	-	-	-	-	-	604,844
	136,818	30,823	437,203	699,489	53,425	92,735	87,837	59,179	1,597,509
DEPRECIATION/ IMPAIRMENT									
At July 1, 2018									
- as previously reported	-	1,102	25,781	426,155	19,038	57,162	79,227	21,608	630,073
- prior period adjustment (note 34)	-	-	-	(8,406)	-	204	-	-	(8,202)
- as restated	-	1,102	25,781	417,749	19,038	57,366	79,227	21,608	621,871
Charge for the year	-	477	11,919	56,661	5,824	9,137	3,475	10,886	98,379
Disposal adjustments	-	-	-	(37,115)	-	(210)	(5,160)	(1,648)	(44,133)
Impairment losses	-	-	-	-	-	(33)	-	-	(33)
Exchange differences	-	9	2	740	-	72	(230)	-	593
At June 30, 2019	-	1,588	37,702	438,035	24,862	66,332	77,312	30,846	676,677
NET BOOK VALUES									
At June 30, 2019	136,818	29,235	399,501	261,454	28,563	26,403	10,525	28,333	920,832
At July 1, 2018	124,517	19,158	407,576	259,927	34,387	24,488	11,301	23,790	905,144

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

(b) Addition include assets of **Rs 7.006 million** (2019: Rs 15.789 million) leased under finance leases for the Group.

(c) The Group's land and buildings were last revalued at June 30, 2020 by independent valuers. The revaluation net of applicable deferred income taxes was credited to revaluation surplus in shareholders' equity (note 17).

Details of the Group's land and building measured at revalued amounts and information about the fair value hierarchy are as follows:

	Level 2	Level 3	Total
June 30, 2020	Rs'000	Rs'000	Rs'000
Freehold land and yard	163,091	-	163,091
Freehold buildings	-	48,870	48,870
Buildings and yard on leasehold land	-	426,186	426,186
	163,091	**475,056**	**638,147**
June 30, 2019			
Freehold land and yard	136,818	-	136,818
Freehold buildings	-	29,235	29,235
Buildings and yard on leasehold land	-	399,501	399,501
	136,818	**428,736**	**565,554**

There were no transfers between level 2 and 3 during the year.

The fair value of the freehold land was derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

Significant unobservable valuation input:	Rs.
Price per square metre	3,650 - 6,500

Significant increase/(decrease) in estimated price per square metre in isolation would result in a significant higher/(lower) fair value.

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

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

The reconciliation of buildings measured at revalued amounts using significant unobservable inputs are as follows:

	Freehold buildings	Building and yard on leasehold land	Total
June 30, 2020	Rs'000	Rs'000	Rs'000
At July 1, 2019	29,235	399,501	428,736
Additions	435	3,520	3,955
Revaluation surplus	19,413	35,492	54,905
Depreciation	(1,418)	(10,938)	(12,356)
Transfer	(344)	(1,391)	(1,735)
Exchange differences	1,549	2	1,551
At June 30, 2020	**48,870**	**426,186**	**475,056**

	Freehold buildings	Building and yard on leasehold land	Total
June 30, 2019	Rs'000	Rs'000	Rs'000
At July 1, 2018	19,158	407,576	426,734
Additions	-	3,844	3,844
Transfer from investment property	10,487	-	10,487
Depreciation	(477)	(11,919)	(12,396)
Exchange differences	67	-	67
At June 30, 2019	**29,235**	**399,501**	**428,736**

(d) If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Cost	**176,830**	172,877
Accumulated depreciation	**(48,255)**	(44,264)
Net book value	**128,575**	128,613

(e) Bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment for the value of Rs 343.145 million.

(f) *Change in estimates*
The Group conducted an operational efficiency review of its plant and equipment, which resulted in changes in their expected usage. The lorries and forklift which management had previously intended to use for seven years, is now expected to remain in production for 12 years from the date of purchase. As a result, the expected useful life of the equipment increased and its estimated residual value decreased. The effect of these changes on actual and expected depreciation expense was as follows:

	2020	2021	2022	2023	Later
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Increase in depreciation expense	1,147	1,130	916	561	1,760

(g) The total revaluation surplus is arrived as follows:

	2020
	Rs'000
Cost	30,812
Depreciation	48,652
Total	**79,464**

6. RIGHT-OF-USE ASSETS

(a) THE GROUP

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
COST					
At July 1, 2019	-	-	-	-	-
- effect of adopting IFRS 16	87,844	189,703	73,173	5,818	356,538
- as restated	87,844	189,703	73,173	5,818	356,538
Additions	-	19,190	871	2,427	22,488
Exchange difference	-	4,261	-	791	5,052
At June 30, 2020	**87,844**	**213,154**	**74,044**	**9,036**	**384,078**
DEPRECIATION					
Charge for the year	3,209	53,812	20,041	3,074	80,136
Exchange difference	-	456	22	206	684
At June 30, 2020	**3,209**	**54,268**	**20,063**	**3,280**	**80,820**
NET BOOK VALUES					
At June 30, 2020	**84,635**	**158,886**	**53,981**	**5,756**	**303,258**

(b) **Nature of leasing activities (in the capacity as lessee)**

Freeport Operations (Mauritius) Limited, a subsidiary, leases a plot of land from the Mauritius Ports Authority. The lease agreement expires on March 30, 2056. The lease contract provides for payments to increase every ten years by 50%.

Another subsidiary, Associated Container Services Limited, leases a plot of land in Rodrigues from the Mauritius Ports Authority which expires on April 2, 2030.

The Group leases various buildings for office space. The Group also leases certain items of plant & equipment and motor vehicles. The leases comprise only fixed payments over the lease terms. There is no impact on the carrying amount of lease liabilities and right-of-use assets at the reporting date as the Group is not subject to lease payments that are variable. There are no extension and termination options included in leases across the Group. The Group did not provide residual value guarantees in relation to leases.

(c) Borrowings are secured by fixed and floating charges on the assets of the Group including right-of-use assets.

(d) Interest expense

	THE GROUP 2020
	Rs'000
Interest expense (included in finance cost) (note 24(b))	17,485
Expense relating to short-term leases (included in other expenses)	11,524

(e) Total cash outflows for leases

Total cash outflows for leases	85,983

7. INVESTMENT PROPERTY

	2019		
	Land	Buildings	Total
THE GROUP	Rs'000	Rs'000	Rs'000
At July 1,	12,136	10,406	22,542
Exchange differences	95	81	176
Transfer to property, plant and equipment (note 5)	(12,231)	(10,487)	(22,718)
At June 30,	-	-	-

Investment property was transferred to property, plant and equipment as the freehold land and yard and freehold buildings are for Group's own use.

8. INTANGIBLE ASSETS

THE GROUP	Customer related intangibles	Concession rights	Goodwill	Computer software	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(a) **COST**					
At July 1, 2019					
-as previously stated	-	-	634,943	72,547	707,490
- prior period adjustment (note 34)	41,402	180,000	(177,751)	-	43,651
-as restated	41,402	180,000	457,192	72,547	751,141
Addition through					
Business combination (note 28)	-	-	1,602	-	1,602
Addition	-	-	-	13,608	13,608
Transfer from property, plant					
and equipment (note 5)	-	-	-	452	452
Impairment	-	-	-	(5,014)	(5,014)
Exchange differences	-	-	-	1,393	1,393
At June 30, 2020	**41,402**	**180,000**	**458,794**	**82,986**	**763,182**
AMORTISATION					
At July 1, 2019					
-as previously stated	-	-	-	67,219	67,219
- prior period adjustment (note 34)	21,360	70,642	-	-	92,002
-as restated	21,360	70,642	-	67,219	159,221
Charge for the year	5,327	3,000	-	1,856	10,183
Impairment	-	-	-	(2,466)	(2,466)
Exchange differences	-	-	-	1,103	1,103
At June 30, 2020	**26,687**	**73,642**	**-**	**67,712**	**168,041**
NET BOOK VALUES					
At June 30, 2020	**14,715**	**106,358**	**458,794**	**15,274**	**595,141**

8. **INTANGIBLE ASSETS (CONT'D)**

		Customer related intangibles	Concession rights	Goodwill	Computer software	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(b)	**COST**					
	At July 1, 2018					
	-as previously stated	-	-	634,943	72,698	707,641
	- prior period adjustments (note 34)	41,402	180,000	(177,751)	-	43,651
	-as restated	41,402	180,000	457,192	72,698	751,292
	Addition	-	-	-	1,443	1,443
	Exchange differences	-	-	-	(1,594)	(1,594)
	At June 30, 2019	**41,402**	**180,000**	**457,192**	**72,547**	**751,141**
	AMORTISATION					
	At July 1, 2018					
	-as previously stated	-	-	-	65,102	65,102
	- prior period adjustment (note 34)	16,033	67,642	-	-	83,675
	-as restated	16,033	67,642	-	65,102	148,777
	Charge for the year	5,327	3,000	-	3,661	11,988
	Exchange differences	-	-	-	(1,544)	(1,544)
	At June 30, 2019	**21,360**	**70,642**	**-**	**67,219**	**159,221**
	NET BOOK VALUES					
	At June 30, 2019	**20,042**	**109,358**	**457,192**	**5,328**	**591,920**

(c) Impairment test for goodwill is allocated to the Company's cash-generating units (CGVS) identified according to the country of operation and business segment.

At the end of the reporting period, the Group has assessed the recoverable amount of goodwill and determined that there is no impairment of goodwill.

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs (subsidiaries) .

The recoverable amounts for the cash generating units were based on their value in use, determined by discounting the future cash flows to be generated from the continuing use of the cash generating units. The carrying amounts of the cash generating units were determined to be lower than their recoverable amounts and no impairment has been booked during the year under

The key assumptions used in the estimation of value in use and recoverable amounts are as follows:

	2020	2019
	%	%
Discount rate	**11.5**	11.5
Budgeted EBITDA growth rate (average for the next 3 years)	**26.7**	14.5

The discount rate was a post-tax measure estimated based on the rate of 10-year government bonds issued by the Government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the risk of investing in equities generally and the systematic risk of the specific Cash Generating Unit.

Forecasted EBITDA has been based on the expectation of future outcomes adjusted for revenue growth and cost containment measures.

The recoverable amount would increase/ (decrease) if discount rate, growth rate and EBITDA growth rate were lower/(higher) and higher/(lower) respectively.

9. **INVESTMENT IN SUBSIDIARIES**

		THE COMPANY	
		2020	Restated * 2019
(a)	**COST**	**Rs'000**	Rs'000
	At July 1,	**857,857**	857,857
	Additional investment in subsidiaries	**241,354**	-
	At June 30,	**1,099,211**	857,857

The additions to investment in subsidiaries consist of Rs Rs 67.940m million cash and Rs 173.414 million loans capitalised.

* See note 34.

9. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

(b) Details of the subsidiaries are as follows:

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of ownership interest Direct	Proportion of ownership interest Indirect	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity	Nominal value of investment 2020	Nominal value of investment Restated* 2019
			Rs'000	%	%	%			**Rs'000**	Rs'000
F.O.M. Warehouses Ltd	Ordinary	June 30,	100	50.3	-	49.7	Mauritius	Dormant	**-**	-
Logistics Solutions Ltd *	Ordinary	June 30,	525,690	99.0	-	1.0	Mauritius	Investment holding	**526,820**	361,613
Papol Holding Limited *	Ordinary	June 30,	100	60.0	-	40.0	Mauritius	Investment holding	**75**	75
Rogers Logistics International Ltd	Ordinary	June 30,	156,352	100.0	-	-	Mauritius	Investment holding	**156,509**	80,362
Rogers Logistics Services Company Limited	Ordinary	June 30,	100	100.0	-	-	Mauritius	Freight forwarding	**101**	101
Rogers Shipping Ltd *	Ordinary	June 30,	721	36.0	32.6	31.4	Mauritius	Shipping	**26,880**	26,880
Southern Marine Ltd*	Ordinary	June 30,	500	36.0	32.6	31.4	Mauritius	Shipping agency	**15,120**	15,120
Sukpak Ltd*	Ordinary	June 30,	1,200	70.0	-	30.0	Mauritius	Sugar Packaging	**19,706**	19,706
Trans World International Ltd	Ordinary	June 30,	25	100.0	-	-	Mauritius	Freight forwarding	**40,193**	40,193
Velogic Depot and Warehouse Ltd	Ordinary	June 30,	300	100.0	-	-	Mauritius	Freight forwarding	**17,804**	17,804
Velogic Ltd	Ordinary	June 30,	83,384	100.0	-	-	Mauritius	Freight forwarding	**296,003**	296,003
									1,099,211	857,857

* See note 34.

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Rogers Logistics International Ltd holds the following subsidiaries:							
Cargo Express Madagascar S.A.R.L	Ordinary	June 30,	168	100.0	-	Madagascar	Freight forwarding
Rogers IDS Madagascar SARL	Ordinary	June 30,	8	100.0	-	Madagascar	Freight forwarding
Rogers IDS SAS (France)	Ordinary	June 30,	1,790	100.0	-	France	Freight forwarding
Rogers Shipping Pte Ltd	Ordinary	June 30,	11,021	51.0	49.0	Republic of Singapore	Investment holding
Velogic Express Reunion	Ordinary	June 30,	8,341	100.0	-	Reunion Island	Courier Services
Velogic India Private Ltd	Ordinary	June 30,	11,156	100.0	-	India	Freight forwarding
Velogic Sea Frigo R'Frigo SA	Ordinary	June 30,	4,085	100.0	-	Reunion Island	Freight forwarding
VK Logistics Ltd	Ordinary	June 30,	163,814	51.0	49.0	Mauritius	Investment holding
Logistics Solutions Ltd holds the following subsidiaries:							
Associated Container Services Ltd *	Ordinary	June 30,	93,877	98.5	1.5	Mauritius	Port Services
Freeport Operations (Mauritius) Ltd *	Ordinary	June 30,	178,429	98.5	1.5	Mauritius	Port Services
Associated Container Services Ltd holds the following subsidiary:							
MTL Logistics & Distribution Co Ltd *	Ordinary	June 30,	1,688	98.5	1.5	Mauritius	Dormant
Velogic Haulage Services Ltd	Ordinary	June 30,	31,514	100.0	-	Mauritius	Transport Services
Velogic Haulage Services Ltd holds the following subsidiary:							
Velogic Garage Services Limited *	Ordinary	June 30,	10,999	100.0	-	Mauritius	Garage Services

9. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

(b) Details of the subsidiaries are as follows: (cont'd)

Name of company	Class of shares held	Financial year end	Stated capital	Proportion of indirect ownership interest	Proportion of ownership interest held by non-controlling interests	Country of incorporation and operation	Main business activity
			Rs'000	%	%		
Papol Holding Limited holds the following subsidiary:							
P.A.P.O.L.C.S Limited **	Ordinary	June 30,	100	48.0	52.0	Mauritius	Stevedoring
Velogic Ltd holds the following subsidiary:							
Express Logistics Solutions Ltd	Ordinary	June 30,	1	100.0	-	Mauritius	Dormant
Global Air Cargo Services Ltd	Ordinary	June 30,	433	50.0	50.0	Mauritius	Freight forwarding
VK Logistics Ltd holds the following subsidiaries:							
General Cargo Services Ltd	Ordinary	June 30,	889	100.0	-	Kenya	Freight forwarding
Gencargo Transport Limited	Ordinary	December 31,	1,422	100.0	-	Kenya	Port services

* The non-controlling interest are not material to the entity.

** Papol Holding Limited holds 80% of P.A.P.O.L.C.S Limited and the indirect ownership interest of Velogic Holding Company Limited is 48%.

(c) ***Subsidiary with material non-controlling interests***

(i) Details of subsidiary that have non-controlling interests that are material to the entity:

	VK Logistics Ltd
	Rs'000
2020	
Profit allocated to non-controlling interests	**23,953**
Accumulated non-controlling interest at June 30, 2020	**150,703**
2019	
Profit allocated to non-controlling interests	8,438
Accumulated non-controlling interest at June 30, 2019	125,455

9. **INVESTMENT IN SUBSIDIARIES (CONT'D)**

(c) ***Subsidiary with material non-controlling interests (cont'd)***

(ii) Summarised financial information of subsidiary with material non-controlling interests.

- Summarised statement of financial position and statement of profit or loss and other comprehensive income.

Name	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Profit	Other comprehensive income	Total comprehensive income	Dividend paid to non-controlling interests
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
2020									
VK Logistics Ltd	**295,330**	**227,988**	**191,710**	**24,049**	**341,250**	**48,883**	**29,933**	**78,816**	**-**
2019									
VK Logistics Ltd	265,987	182,368	80,973	116,838	275,207	17,586	399	17,985	-

- Summarised cash flow information

Name	Operating activities	Investing activities	Financing activities	Net (decrease)/ increase in cash and cash equivalent
	Rs'000	Rs'000	Rs'000	Rs'000
2020				
VK Logistics Ltd	**35,967**	**(33,461)**	**(22,522)**	(20,016)
2019				
VK Logistics Ltd	45,312	(6,102)	-	39,210

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

10. FINANCIAL ASSEST AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Equity investments at fair value through other comprehensive income

	THE GROUP	
		Restated*
Level 3	**2020**	2019
At July 1,	**Rs'000**	Rs'000
- as previously stated	**5,219**	9,288
- prior period adjustment (note 34)	**(3,675)**	-
- as restated	**1,544**	9,288
Increase/(decrease) in fair value	**1,518**	(3,675)
Disposal of equity investments (note 10(f))	**-**	(3,575)
Capital reduction - Mexa (Mtius) Investment Ltd	**-**	(511)
Exchange differences	**(347)**	17
At June 30,	**2,715**	1,544

(b) Fair value through other comprehensive income financial assets include the following:

	THE GROUP	
		Restated*
	2020	2019
Unquoted:	**Rs'000**	Rs'000
Mexa (Mtius) Investment Ltd	**723**	723
Les Lycees Associes Ltee	**706**	501
Prokid	**1,139**	100
Others	**147**	220
	2,715	1,544

* See note 34.

(c) Financial assets measured at fair value through other comprehensive income include the Group's 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 investments.

(d) The table below sets out information about significant unobservable inputs used at 30 June 2020 in measuring financial instruments categorised as Levels 3 in the fair value hierarchy.

Name of investee	**Valuation technique 2020**	**2019**	**Unobservable inputs**	**Range**	**Sensitivity to changes in significant unobservable inputs**
Mexa (Mtius) Investment Ltd	NAV	NAV	N/A	N/A	N/A
Les Lycees Associes Ltee	NAV	NAV	N/A	N/A	N/A
Prokid	NAV	NAV	N/A	N/A	N/A

NAV - Net assets value, N/A - Not applicable

(e) Fair value through other comprehensive income financial assets are denominated in Mauritian rupees.

(f) **Disposal of equity investments**

The Group had an investment of Rs 3.575 million in Danzas AEI International Ltd. In 2019, Danzas AEI International Ltd was wound up and the Group received Rs 5.251 million as distribution. A gain of Rs 1.676 million was recognised in profit or loss.

11. DEFERRED INCOME TAX

Deferred income taxes are calculated on all temporary differences under the liability method at 17% (2019:

(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 on the same entity.

The following amounts are shown in the statements of financial position:

	THE GROUP	
		Restated*
	2020	2019
	Rs'000	Rs'000
Deferred tax assets	**28,176**	12,533
Deferred tax liabilities	**(92,107)**	(81,779)
	(63,931)	(69,246)

At the end of the reporting period, the Group had unused tax losses of **Rs 103.877 million** (2019: Rs 80.349 million) available for offset against future taxable profits. No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5

(b) The movement on the deferred income tax account is as follows:

	THE GROUP	
		Restated*
	2020	2019
	Rs'000	Rs'000
At July 1,		
- as previously reported	**(44,316)**	(45,043)
- prior period adjustments (note 34)	**(24,930)**	(27,070)
- as restated*	**(69,246)**	(72,113)
Credited to profit or loss (note 15(b))	**12,918**	2,824
(Charged)/credited to other comprehensive income	**(8,211)**	150
On acquisition of subsidiary (note 28)	**(8)**	-
Exchange differences	**616**	(107)
At June 30,	**(63,931)**	(69,246)

* See note 34.

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same fiscal authority on the same entity, is as follows:

(i) Deferred tax assets

	THE GROUP				
	Retirement benefit obligations	Right-of-use assets	Inventories	ECL on financial assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2018	10,279	-	-	1,606	11,885
(Charged)/credited to profit or loss	(1,407)	-	-	1,905	498
Credited to other comprehensive income	150	-	-	-	150
At June 30, 2019	9,022	-	-	3,511	12,533

11. DEFERRED INCOME TAX (CONT'D)

(i) Deferred tax assets

	THE GROUP				
	Retirement benefit obligations	Right-of-use assets	Inventories	ECL on financial assets	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2019	9,022	-	-	3,511	12,533
Credited to profit or loss	525	5,926	593	5,558	12,602
Credited to other comprehensive income	2,913	-	-	-	2,913
Exchange differences	-	-	-	128	128
At June 30, 2020	**12,460**	**5,926**	**593**	**9,197**	**28,176**

(ii) Deferred tax liabilities

	THE GROUP				
	Accelerated tax depreciation	Revaluation of assets	Customer related goodwill	Concession rights	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2018					
- as previously reported	(18,134)	(38,794)	-	-	(56,928)
- prior period adjustments	(1,429)	-	(6,540)	(19,101)	(27,070)
- as restated*	(19,563)	(38,794)	(6,540)	(19,101)	(83,998)
Charged to profit or loss	396	-	1,420	510	2,326
Exchange differences	(107)	-	-	-	(107)
At June 30, 2019	(19,274)	(38,794)	(5,120)	(18,591)	(81,779)
Charged to profit or loss	(1,357)	(257)	1,420	510	316
Credited to other comprehensive	-	(11,124)	-	-	(11,124)
On acquisition of subsidiary	(8)	-	-	-	(8)
Exchange differences	488	-	-	-	488
At June 30, 2020	**(20,151)**	**(50,175)**	**(3,700)**	**(18,081)**	**(92,107)**

* See note 34.

12. INVENTORIES

		THE GROUP	
		2020	Restated* 2019
		Rs'000	Rs'000
(a)	Raw material	**8,576**	11,697
	Spare parts and consumables	**14,747**	10,657
	Containers	**11,210**	16,379
	Work-in-progress	**317**	975
		34,850	39,708

* See note 34.

(b) The cost of inventories recognised as expense and included in cost of sales amounted to **Rs.116.291 million** (2019: Rs.120.527 million) for the Group.

(c) The bank borrowings are secured by floating charges on the assets of the Group including inventory (note 18).

13. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade receivables	**970,261**	1,077,634	**-**	-
Provision for impairment	**(110,963)**	(83,644)	**-**	-
Trade receivables - net	**859,298**	993,990	**-**	-

(a) *Impairment of trade receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) 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.

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

The expected loss rates are based in the payment profiles of sales over a period of 3 years before June 30, 2019 and June 30, 2018 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of each country in which it sells its services, to be the most relevant factor, and accordingly adjusts the historical rates based on expected changes in these factors. The measurement of the expected credit losses excludes trade receivables which are insured and/or are based on internal or external ratings.

The carrying value of trade and other receivables have been analysed as follows:

		THE GROUP		
June 30, 2020				
Number of days carrying value of trade receivables have been past due	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Trade net of ECL
	(%)	Rs'000	Rs'000	Rs'000
Not yet been past due	0.88%	627,975	(5,541)	622,434
Less than 30 days	4.09%	89,530	(3,662)	85,868
Between 30 to 60 days	5.23%	66,449	(3,475)	62,974
Between 60 to 90 days	12.28%	44,497	(5,464)	39,033
Between 90 to 180 days	25.16%	47,694	(12,000)	35,694
Between 180 to 360 days	53.92%	28,852	(15,557)	13,295
More than 360 day	100%	65,264	(65,264)	-
		970,261	**(110,963)**	**859,298**

13. **TRADE RECEIVABLES (CONT'D)**

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

June 30, 2019		THE GROUP		
Number of days carrying value of trade receivables have been past due	ECL Rate	Estimated total gross carrying amount	Less ECL Allowance	Trade receivables net of ECL
	(%)	Rs'000	Rs'000	Rs'000
Not yet been past due	1.08%	645,566	(6,970)	638,596
Less than 30 days	3.51%	186,201	(6,535)	179,666
Between 30 to 60 days	6.13%	73,028	(4,475)	68,553
Between 60 to 90 days	13.68%	38,112	(5,212)	32,900
Between 90 to 180 days	22.96%	43,824	(10,063)	33,761
Between 180 to 360 days	30.45%	32,099	(9,775)	22,324
More than 360 day	69.07%	58,804	(40,614)	18,190
		1,077,634	(83,644)	993,990

The closing loss allowances for trade receivables as at June 30, 2020 reconcile to the opening loss allowances as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**83,644**	90,065
Loss allowance recognised in profit or loss during the year	**27,907**	5,661
Receivable written off during the year as uncollectible	**(7,987)**	(12,082)
Exchange differences	**7,399**	-
At June 30,	**110,963**	83,644

(b) The carrying amounts of trade receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**192,215**	236,106	-	-
Euro	**249,255**	403,265	-	-
Great Britain Pound	**11,661**	141	-	-
US Dollar	**116,312**	25,126	-	-
Kenya Shilling	**220,035**	210,208	-	-
Others	**69,820**	119,144	-	-
	859,298	993,990	**-**	-

(c) The maximum exposure to the 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.

14. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP		THE COMPANY	
		Restated*		Restated*
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current: Group (note 32)				
Long term loans (interest free)	**-**	-	**-**	195,175
Current: Group (note 32)				
Short term loans (interest free)	**-**	-	**28,866**	35,106
Short term loans (interest rate: 4.5% p.a)	**-**	-	**23,100**	25,100
Dividend receivables	**-**	-	**14,770**	20,242
Other receivables	**2,098**	10,762	**2,760**	3,940
	2,098	10,762	**69,496**	84,388
Non-group				
Other receivables	**132,358**	140,962	**19**	-
Total current	**134,456**	151,724	**69,515**	84,388
Total financial assets at amortised cost	**134,456**	151,724	**69,515**	279,563

* See note 34.

(a) *Other receivables*
These amounts generally arise from transactions outside the usual operating activities of the Group. Collateral is not normally obtained.

(b) *Fair values of financial assets at amortised cost*
Due to the short-term nature of the current receivables, their carrying amount is considered to the same as their fair value.

(c) *Impairment and risk exposure*
(i) Financial assets at amortised cost did not include any loss allowance at June 30, 2020 (2019: nil).

(d) The carrying amounts of the financial assets at amortised cost are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**61,526**	60,688	**69,515**	279,563
Euro	**32,973**	45,388	**-**	-
US Dollar	**7,338**	9,074	**-**	-
Kenya Shilling	**19,103**	28,537	**-**	-
Others	**13,516**	8,037	**-**	-
	134,456	151,724	**69,515**	279,563

15. INCOME TAXES

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
(a) Statements of financial position	**Rs'000**	Rs'000	**Rs'000**	Rs'000
At July 1,	**4,211**	18,978	**(127)**	(146)
Current tax on the adjusted results				
for the year at 15%-28% (2019: 15%-28%)	**(34,355)**	(37,112)	**(30)**	(216)
Over/(under) provision in previous period	**345**	(674)	**69**	-
Corporate social responsibility	**(1,814)**	(1,473)	**(3)**	-
COVID-19 levy	**(12,212)**	-	**-**	-
Withholding tax	**(3,262)**	(3,658)	**-**	-
Exchange differences	**(316)**	180	**-**	-
On acquisition of subsidiary	**35**	-	**-**	-
Tax paid	**50,202**	27,970	**58**	235
At June 30,	**2,834**	4,211	**(33)**	(127)
Disclosed as:				
Current tax assets	**23,184**	14,980	**-**	-
Current tax liabilities	**(20,350)**	(10,769)	**(33)**	(127)
	2,834	4,211	**(33)**	(127)

* See note 34.

(b) Statements of profit or loss	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
Current tax on the adjusted results	**Rs'000**	Rs'000	**Rs'000**	Rs'000
for the year at 15%-28% (2019: 15%-28%)	**34,355**	37,112	**30**	216
Corporate social responsibility	**1,814**	1,473	**3**	-
COVID-19 levy	**12,212**	-	**-**	-
Withholding tax	**3,262**	3,658	**-**	-
(Over)/under provision in previous period	**(345)**	674	**(69)**	-
	51,298	42,917	**(36)**	216
Deferred tax credit (note 11(b))	**(12,918)**	(2,824)	**-**	-
Tax charge/(credit)	**38,380**	40,093	**(36)**	216

* See note 34.

15. INCOME TAXES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit before taxation	**142,870**	148,633	**37,644**	32,517
Tax calculated at 15%-28% (2019: 15%-28%)	**30,735**	22,295	**5,647**	4,878
Income not subject to tax	**(42,313)**	(33,442)	**(6,029)**	(4,913)
Expenses not deductible for tax purposes	**39,081**	51,057	**412**	251
Tax losses for which no deferred income tax was recognised	**13,912**	2,044	**-**	-
Utilisation of previously unrecognised tax losses	**(2,254)**	-	**-**	-
Foreign tax credit	**(4,806)**	(4,842)	**-**	-
	34,355	37,112	**30**	216
(Over)/under provision in previous period	**(345)**	674	**(69)**	-
Corporate social responsibility	**1,814**	1,473	**3**	-
COVID-19 levy	**12,212**	-	**-**	-
Deferred tax credit	**(12,918)**	(2,824)	**-**	-
Withholding tax	**3,262**	3,658	**-**	-
Tax charge	**38,380**	40,093	**(36)**	216

16. SHARE CAPITAL

THE GROUP AND THE COMPANY	**2020**	2019	**2020**	2019
	Number of shares	Number of shares	**Amount**	Amount
			Rs'000	Rs'000
Authorised, issued and fully paid - No Par Value Shares				
At July 1, and June 30,	**93,515,565**	93,515,565	**1,019,294**	1,019,294

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

17. OTHER RESERVES

THE GROUP ** **2020**	Financial assets at FVOCI reserve	Revaluation surplus	Translation reserves	Actuarial gains	Total
At July 1, 2019	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
- as previously reported	(8,085)	223,108	(43,150)	8,885	180,758
- prior period adjustments (note 34)	(1,874)	-	-	-	(1,874)
- as restated*	(9,959)	223,108	(43,150)	8,885	178,884
Other comprehensive income for the year	1,495	67,673	(6,184)	(17,427)	45,557
Change in ownership interest in subsidiary	6	1,313	-	(45)	1,274
At June 30, 2020	**(8,458)**	**292,094**	**(49,334)**	**(8,587)**	**225,715**

* See note 34.

** Other reserves attributable to owners of the Company.

17. **OTHER RESERVES (CONT'D)**

2019	Financial assets at FVOCI reserve	Revaluation surplus	Translation reserves	Actuarial gains	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2018	(8,085)	223,108	(39,963)	9,860	184,920
Other comprehensive income for the year	(1,874)	-	(3,187)	(975)	(6,036)
At June 30, 2019 (Restated*)	**(9,959)**	**223,108**	**(43,150)**	**8,885**	**178,884**

* See note 34.

Financial assets at FVOCI reserve
Gains/losses arising on financial assets at fair value through other comprehensive income.

Revaluation surplus
The revaluation surplus arises on the revaluation of land and building.

Translation reserves
The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operations.

Actuarial gains
The actuarial gains reserve represents the cumulative remeasurement of defined benefit obligation recognised.

18. **BORROWINGS**

	THE GROUP		THE COMPANY	
	2020	Restated* 2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current				
Bank loans	**92,804**	205,209	**-**	-
Loan from related parties (note 32)	**104,350**	28,125	**-**	-
Other loans	**4,091**	52,818	**-**	-
Lease liabilities (note (d))	**244,355**	-	**-**	-
Borrowings with other financial institutions (note (e))	**22,950**	27,943	**-**	-
	468,550	314,095	**-**	-

18. **BORROWINGS (CONT'D)**

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Bank overdrafts	**91,635**	99,681	**12,026**	-
Bank loans (note (j))	**99,133**	92,672	**24,985**	-
Other loans	**66,707**	19,638	**-**	-
Loan from related parties (note 32)	**46,029**	9,375	**60,493**	59,493
Lease liabilities (note (d))	**71,239**	-	**-**	-
Borrowings with other financial institutions (note (e))	**16,107**	20,254	**-**	-
	390,850	241,620	**97,504**	59,493
Total borrowings	**859,400**	555,715	**97,504**	59,493

* See note 34.

(a) The borrowings include secured liabilities (leases and bank loans amounting to Rs 323.830 million (2019: Rs 452.587 million) for the Group and Rs 37.011 million for the Company (2019: Nil). The bank borrowings are secured by floating charges on the assets of the Group including property, plant and equipment, investment property, investments and inventories (note 5, 7 and 12) .

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

THE GROUP	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2020					
Total borrowings	**140,029**	**250,821**	**331,439**	**137,111**	**859,400**
At June 30, 2019					
Total borrowings	113,651	127,969	233,152	80,943	555,715

THE COMPANY	2 months or less	2-12 months	1-5 years	Over 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At June 30, 2020					
Total borrowings	**97,504**	**-**	**-**	**-**	**97,504**
At June 30, 2019					
Total borrowings	59,493	-	-	-	59,493

18. **BORROWINGS (CONT'D)**

(c) The maturity of borrowings is as follows:

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Non-current:				
1-2 years	**141,627**	76,278	**-**	-
2-5 years	**234,607**	176,746	**-**	-
More than five years	**92,316**	61,071	**-**	-
	468,550	314,095	**-**	-
Current:				
2 months or less	**140,029**	113,651	**97,504**	-
2-12 months	**250,821**	127,969	**-**	59,493
	390,850	241,620	**97,504**	59,493
Total borrowings	**859,400**	555,715	**97,504**	59,493

* See note 34.

(d) **Lease liabilities**

	Leasehold land	Buildings	Plant & equipment	Motor vehicles	Total
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2019					-
- effect of adopting IFRS 16	87,844	189,703	73,173	5,818	356,538
- as restated	87,844	189,703	73,173	5,818	356,538
Additions	-	19,190	871	2,427	22,488
Interest expense	4,789	9,215	3,406	75	17,485
Foreign exchange movements	-	4,275	-	791	5,066
Lease payments	(4,246)	(57,071)	(21,519)	(3,147)	(85,983)
At June 30, 2020	**88,387**	**165,312**	**55,931**	**5,964**	**315,594**
Analysed as follows:					
Non-current:					
1-2 years	2,851	34,378	14,383	2,006	53,618
2-5 years	10,017	66,253	23,701	1,218	101,189
More than 5 years	72,882	16,666	-	-	89,548
	85,750	117,297	38,084	3,224	244,355
Current:					
2 months or less	429	8,671	3,103	523	12,726
2-12 months	2,208	39,344	14,744	2,217	58,513
	2,637	48,015	17,847	2,740	71,239
	88,387	**165,312**	**55,931**	**5,964**	**315,594**

(e) Loan from related parties are unsecured and bear an interest of 2.85%- 5%.

18. **BORROWINGS (CONT'D)**

(e) Borrowings with other financial institutions

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
2 months or less	**3,422**	4,005	**-**	-
2-12 months	**14,031**	18,622	**-**	-
1-2 years	**11,477**	14,678	**-**	-
2-5 years	**14,246**	15,517	**-**	-
	43,176	52,822	**-**	-
Future finance charges on finance leases	**(4,119)**	(4,625)	**-**	-
Present value of finance lease liabilities	**39,057**	48,197	**-**	-

The present value of finance lease liabilities may be analysed as follows:	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Not later than 1 year	**16,107**	20,254	**-**	-
Later than one year and not later than five years	**22,950**	27,943	**-**	-
	39,057	48,197	**-**	-

(f) Borrowings with other financial institutions are effectively secured as the rights to the leased assets revert to the lessor in the event of default. There are no restrictions imposed on the Group by lease arrangements other than in respect of the specific assets being leased. The leases have varying terms, purchase options and escalation clauses.

(g) The effective interest rates at the end of reporting period were as follows:	**2020**	2019
	%	%
Bank loans - MUR	**2.65-4.35**	4.10-6.25
Bank loans - EURO	**3.74-3.90**	3.74-3.90
Loans from related companies	**2.85-5.00**	5.85
Other loans - MUR	**7.50**	7.50
Other loans - USD	**8.00**	8.00
Borrowings with other financial institutions	**5.35-17.25**	5.60-17.25
Bank overdrafts	**3.49-11.00**	3.52-13.00

(h) The carrying amounts of the Group's and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Rupee	**537,576**	295,559	**60,493**	59,493
Euro	**216,695**	166,501	**37,011**	-
Others	**105,129**	93,655	**-**	-
	859,400	555,715	**97,504**	59,493

18. **BORROWINGS (CONT'D)**

(i) The carrying amounts of borrowings are not materially different from the fair value.

(j) The bank loan of the Company is subject to a moratorium period of 6 months for capital repayments, up to January, 31 2021. The Company has serviced its interest repayments without default. After the moratorium period, interest and principal repayments will be made through quarterly instalments. However, the loan contains a covenant stating that no dividend or other distributions shall be declared and paid by the Company during the period of the COVID-19 crisis unless consented in writing by the Bank.

The Company has paid dividends to its shareholders without having received consent from the bank and it was in technical breach of the covenant as of June 30, 2020. Hence, the bank loan has been fully reclassified as current liabilities as the loan is deemed to be payable on demand at June 30, 2020 in the financial statements. Subsequent to June 30, 2020, the Company obtained a waiver of the breach of covenant stating that the event is not considered as event of default on September 16, 2020.

19. **RETIREMENT BENEFIT OBLIGATIONS**

Amount recognised in the statements of financial position as non-current liabilities:	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Defined pension benefits (note 19(a)(ii))	**31,414**	23,016
Other post retirement benefits (note 19(b)(i))	**58,046**	45,440
	89,460	68,456
Amount charged to profit or loss:		
Defined pension benefits (note 19(a)(vi))	**1,630**	1,839
Other post retirement benefits (note 19(b)(iii))	**6,665**	5,586
	8,295	7,425

Amount charged/(credited) to other comprehensive income:	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Defined pension benefits (note 19(a)(vii))	**8,984**	(186)
Other post retirement benefits (note 19(b)(iv))	**7,751**	2,252
	16,735	2,066

(a) **Defined pension benefits**

(i) The Group contributes to a defined contribution plan, the Rogers Money Purchase Retirement Fund (RMPRF), to which have been transferred the pension benefits of all employees who were members of a self-administered defined benefit superannuation fund (DBSF). These employees contributing regularly to the RMPRF, have been given the guarantee by their respective employers that their benefits at the age of sixty, under the RMPRF would not be less than the benefits provided under the ex DBSF. The potential liability under the above guarantee is funded by additional employers' contributions and has been included in the provision made for retirement benefit obligations.

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

In addition to the above, three subsidiaries have defined benefit plans which are funded and where the plan assets are held by Swan Life Ltd.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2020 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) The amounts recognised in the statements of financial position are as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Present value of defined benefit obligations	**40,377**	30,562
Fair value of plan assets	**(8,963)**	(7,546)
Liability in the statements of financial position	**31,414**	23,016

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**23,016**	33,828
Charged to profit or loss	**1,630**	1,839
Charged/(credited) to other comprehensive income	**8,984**	(186)
Employer contributions	**(2,216)**	(12,465)
At June 30,	**31,414**	23,016

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**30,562**	64,780
Interest expense	**3,814**	1,630
Current service cost	**311**	721
Past service cost	**-**	(99)
Benefits paid	**(3,743)**	(36,437)
Liability experience loss	**1,247**	394
Liability loss/(gain) due to change in financial assumptions	**8,186**	(427)
At June 30,	**40,377**	30,562

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**7,546**	30,952
Interest income	**2,495**	413
Employer contributions	**63**	10,554
Benefits paid	**(1,590)**	(34,526)
Return on plan assets excluding interest income	**449**	153
At June 30,	**8,963**	7,546

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Current service cost	**311**	721
Past service cost	**-**	(99)
Net interest on net defined benefit liability	**1,319**	1,217
Total included in "employee benefit expense" (note 23)	**1,630**	1,839
Actual return on plan assets	**2,944**	566

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Return on plan assets above interest income	**(449)**	(153)
Liability experience loss	**1,247**	394
Liability loss/(gain) due to change in financial assumptions	**8,186**	(427)
Total included in other comprehensive income	**8,984**	(186)

(viii) The allocation of plan assets at the end of the reporting period for each category, is as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Equity - overseas quoted	**1,882**	1,398
Equity - local quoted	**3,137**	2,655
Debt - overseas quoted	**807**	128
Debt - overseas unquoted	**-**	11
Debt - local unquoted	**2,330**	1,886
Property - local	**179**	209
Other qualifying insurance policies	**-**	561
Cash and other	**628**	698
Total	**8,963**	7,546

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (cont'd)

(ix) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	2020	2019
Discount rate	**3.5%**	5.6%
Future salary increases	**0.0%-2.5%**	4.0%
Future pension increases	**0.0%**	0.8%-2.0%
Average retirement age (ARA)	**60-65 years**	60-65 years
Average life expectancy for:		
-Male at ARA	**13-19.5 years**	13-19.5 years
-Female at ARA	**14-24.2 years**	14-24.2 years

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

	THE GROUP			
	2020		2019	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**(16,385)**	**7,212**	(12,076)	4,942

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

(xi) The defined benefit pension plan exposes the Group to actuarial risks such as investment risk, interest risk, longevity risk and salary risks.

Investment risk
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.

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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
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.

(xii) The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

(xiii) Expected contributions to post-employment benefit plans for the year ending June 30, 2020 are Rs 2.285 million for the Group.

(xiv) The weighted average duration of the defined benefit obligation ranges between 2 - 13 years at the end of the reporting period.

(b) Other post retirement benefits

Other post retirement benefits comprise mainly of gratuity on retirement payable under The Workers' Rights Act 2019 (2019: Employment Rights Act 2008) and other benefits.

(i) The reconciliation of the opening balances to the closing balances is as follows:

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**45,440**	38,449
Charged to profit or loss	**6,665**	5,586
Charged to other comprehensive income	**7,751**	2,252
Employer contributions	**(1,810)**	(847)
At June 30,	**58,046**	45,440

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
At July 1,	**45,440**	38,449
Interest expense	**2,506**	2,126
Current service cost	**3,898**	3,221
Past service cost	**261**	239
Benefits paid	**(1,810)**	(847)
Liability experience (gain)/loss	**(593)**	1,974
Liability loss due to change in financial assumptions	**8,344**	278
At June 30,	**58,046**	45,440

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Current service cost	**3,898**	3,221
Past service cost	**261**	239
Net interest expense	**2,506**	2,126
Total included in "employee benefit expense" (note 23)	**6,665**	5,586

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

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Liability experience (gain)/loss	**(593)**	1,974
Liability loss due to change in financial assumptions	**8,344**	278
Total included in other comprehensive income	**7,751**	2,252

(v) The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	THE GROUP	
	2020	2019
Discount rate	**3.5%-5.6%**	5.6%
Future salary increases (staff/workers)	**2.5%-4.0%**	4.0%
Future pension increases	**0.0%-0.5%**	0.5%-0.8%
Average retirement age (ARA)	**65 years**	65 years
Average life expectancy for:		
-Male at ARA	**13-15.9 years**	13-15.9 years
-Female at ARA	**14-20 years**	14-20 years

19. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	THE GROUP			
	2020		2019	
	Increase	**Decrease**	Increase	Decrease
	Rs'000	**Rs'000**	Rs'000	Rs'000
Discount rate (1% movement)	**(16,830)**	**11,698**	(12,779)	9,472

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on the retirement gratuity at the end of the reporting period.

The sensitivity above has been determined based on a method that extrapolates the impact on the retirement gratuity as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The present value of the retirement gratuity has been calculated using the projected unit credit method.

The sensitivity analysis may not be representative of the actual change in the retirement gratuity 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.

(vii) Expected contributions to post-employment benefit plans for the year ending June 30, 2020 are Rs 1.245 million for the Group.

(viii) The weighted average duration of the retirement gratuity ranges between 3 - 25 years at the end of the reporting period.

20. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
		Restated*		Restated*
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**222,595**	311,770	**-**	-
Accruals	**306,033**	286,488	**-**	-
Other payables	**93,935**	78,837	**1,050**	451
Amounts due to related parties (note 32)	**681**	598	**26,880**	26,880
	623,244	677,693	**27,930**	27,331

* See note 34.

The carrying amounts of trade and other payables approximate their fair values. Amount due to related parties are unsecured, free of interest and repayable on demand.

21. TOTAL REVENUE

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue from sale of services	**3,073,424**	3,369,471	**-**	-
Commission and other income	**45,558**	43,100	**-**	-
Dividend income	**-**	-	**39,136**	32,750
Interest income	**3,748**	2,654	**1,086**	1,121
	3,122,730	3,415,225	**40,222**	33,871

(a) Disaggregation of revenue from sale of services

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Product type	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Freight forwarding	**2,180,449**	2,566,366	**-**	-
Courier services	**187,325**	209,872	**-**	-
Packing of special sugars	**73,630**	66,459	**-**	-
Port related and transport services	**758,763**	840,747	**-**	-
Shipping services	**67,690**	65,440	**-**	-
Warehousing	**135,938**	153,384	**-**	-
	3,403,795	3,902,268	**-**	-
Inter-segment revenue	**(330,371)**	(532,797)	**-**	-
Revenue from contract with external customers	**3,073,424**	3,369,471	**-**	-

(b) Timing of revenue recognition

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
At a point in time	**3,118,982**	3,412,571	**39,136**	32,750
Over time	**3,748**	2,654	**1,086**	1,121
	3,122,730	3,415,225	**40,222**	33,871

22. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cost of services rendered	**1,898,731**	2,242,047	**-**	-
Raw materials and consumables used	**35,845**	27,159	**-**	-
Total direct costs	**1,934,576**	2,269,206	**-**	-
Rental expense	**11,524**	30,853	**-**	-
Telecommunication expenses	**11,731**	12,251	**-**	-
Commissions payable	**1,494**	635	**-**	-
Professional fees	**21,025**	17,283	**773**	449
Insurance	**11,664**	11,736	**-**	-
Overseas travelling - Business	**7,662**	10,746	**-**	-
IT expenses	**15,676**	14,515	**-**	-
Office Supplies	**7,343**	7,984	**-**	-
Advertising and promotion	**2,895**	5,098	**-**	-
Miscellaneous expenses	**73,004**	95,787	**169**	203
Total direct costs and other expenses	**2,098,594**	2,476,094	**942**	652

* See note 34.

23. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries, including termination benefits	**630,715**	649,061	**-**	-
Pension costs - defined contribution plans	**5,531**	4,586	**-**	-
Pension costs - defined benefit plans (note 19(a)(vi))	**1,630**	1,839	**-**	-
Pension costs - other post retirement benefits (note 19(b)(iii))	**6,665**	5,586	**-**	-
	644,541	661,072	**-**	-

* See note 34.

Wage subsidy

In response to the COVID-19 coronavirus pandemic, in March 2020 the government of Mauritius introduced a wage subsidy programme (Government Wage Assistance Scheme (GWAS)) to ensure that all employees are duly paid their salary for the month of March 2020 to May 2020.

Under the scheme, a business entity in the private sector is entitled to receive, for the month of March 2020, in respect to its wage bill, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee. For the month of April 2020 and May 2020, a business was eligible to receive an additional funding equivalent to one month's basic wage bill for its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 25,000 of assistance per employee.

The Group has received an amount of Rs 30.097 million from the Government Wage Assistance Scheme. The Group presents grants related to income as 'employee benefit expenses' in the statement of profit or loss.

24. FINANCE INCOME AND FINANCE COSTS

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) ***Finance income***				
Net foreign exchange transactions gains	**31,408**	19,152	**188**	43
(b) ***Finance costs***				
Interest expense:				
-Bank overdraft	**(10,594)**	(9,976)	**(40)**	-
-Loans from holding company	**(5,011)**	(2,753)	**-**	-
-Loan from subsidiary company		-	**(866)**	(745)
-Bank and other loans repayable by instalments	**(10,252)**	(14,775)	**(918)**	-
-Bank and other loans not repayable by instalments	**(4,372)**	(1,697)	**-**	-
-Borrowings with other financial institutions	**(2,636)**	(3,349)	**-**	-
-Leases	**(17,485)**	-	**-**	-
	(50,350)	(32,550)	**(1,824)**	(745)

25. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
Profit before taxation is arrived at after:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Crediting:				
Profit on disposal of property, plant and equipment	**5,700**	3,481	**-**	-
and charging:				
Impairment of financial assets	**27,907**	5,661	**-**	-
Lease rentals	**11,524**	30,853	**-**	-
Depreciation on property, plant and equipment:				
-owned assets	**89,717**	81,669	**-**	-
-leased assets under finance leases	**9,840**	16,710	**-**	-
-right-of-use assets	**80,136**	-	**-**	-
Amortisation of intangible assets	**10,183**	11,988	**-**	-
Employee benefit expense (note 23)	**644,541**	661,072	**-**	-

26. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:	THE GROUP AND THE COMPANY	
	2020	2019
	Rs'000	Rs'000
Interim dividend for the year ended June 30, 2020 of Rs 0.26 per share (2019: Rs 0.26)	**24,350**	24,500
Final dividend for the year ended June 30, 2020 of Rs 0.16 (2019: Rs 0.21) per share	**15,000**	20,000
	39,350	44,500

27. NOTES TO THE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Cash generated from/(absorbed in) operations				
Profit before taxation from continuing operations	**142,870**	148,633	**37,644**	32,517
Profit before taxation from discontinued operations(note 29(a)	**-**	4,274	**-**	-
	142,870	152,907	**37,644**	32,517
Adjustments for:				
Depreciation on property, plant and equipment (note 5)	**99,557**	98,379	**-**	-
Profit on disposal of property, plant and equipment	**(5,700)**	(3,481)	**-**	-
Depreciation on right-of-use assets (note 6)	**80,136**	-	**-**	-
Amortisation of intangible assets (note 8)	**10,183**	11,988	**-**	-
Impairment losses on property, plant and equipment (note 5)	**150**	369	**-**	-
Impairment losses on intangible assets (note 8)	**2,548**	-	**-**	-
Retirement benefit obligations	**4,269**	(5,887)	**-**	-
Profit on disposal of equity investments	**-**	(1,676)	**-**	-
Profit on disposal of subsidiary	**-**	(4,274)	**-**	-
Dividend income (note 21)	**-**	-	**(39,136)**	(32,750)
Interest income (note 21)	**(3,748)**	(2,654)	**(1,086)**	(1,121)
Interest expense (note 24(b))	**50,350**	32,550	**1,824**	745
	380,615	278,221	**(754)**	(609)
Changes in working capital:				
- inventories	**4,858**	(1,455)	**-**	-
- trade receivables	**137,781**	(126,545)	**-**	-
- financial assets at amortised cost	**17,268**	29,349	**(19)**	4,676
- prepayments	**(5,152)**	6,385	**(422)**	(100)
- trade and other payables	**(56,433)**	67,201	**599**	(392)
Cash generated from/(absorbed in) operations	**478,937**	253,156	**(596)**	3,575

(b) Non-cash transactions	THE GROUP		THE COMPANY	
		Restated*		
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Total acquisition of property, plant and equipment (note 5)	**107,166**	100,339	-	-
Less: acquisition using finance leases (note 5)	**(7,006)**	(15,789)	-	-
Amount paid	**100,160**	84,550	-	-

* See note 34.

27. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(c) **Cash and cash equivalents**

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**329,639**	207,287	**5,790**	5,672

Cash and cash equivalents and bank overdraft include the following for the purpose of the statements of cash flows.

	THE GROUP		THE COMPANY	
	2020	2019	**2020**	2019
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**329,639**	207,287	**5,790**	5,672
Bank overdrafts	**(91,635)**	(99,681)	**(12,026)**	-
	238,004	107,606	**(6,236)**	5,672

(d) Reconciliation of liabilities arising from financing activities:

THE GROUP

(i) **2020**	**Bank and other loans**	**Loan from related parties**	**Lease liabilities**	**Borrowings with other financial institutions**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2019	**370,337**	**37,500**	**-**	**48,197**	**456,034**
Cash flows - Proceeds	**188,106**	**126,250**	**-**	**-**	**314,356**
Cash flows - Capital payments	**(310,867)**	**(13,371)**	**(68,498)**	**(16,146)**	**(408,882)**
Cash flows - Interest payments	**(14,540)**	**-**	**(17,485)**	**-**	**(32,025)**
Non-cash changes:					
- recognised on adoption of IFRS 16	**-**	**-**	**356,538**	**-**	**356,538**
- additions	**-**	**-**	**22,488**	**7,006**	**29,494**
- interest accrued	**933**	**-**	**17,485**	**-**	**18,418**
- foreign exchange movements	**25,056**	**-**	**5,066**	**-**	**30,122**
- on acquisition of subsidiary	**3,710**	**-**	**-**	**-**	**3,710**
At June 30, 2020	**262,735**	**150,379**	**315,594**	**39,057**	**767,765**

(ii) 2019					
At July 1, 2018	388,626	46,875	-	54,291	489,792
Cash flows - Proceeds	196,005	-	-	-	196,005
Cash flows - Capital payments	(216,215)	(9,375)	-	(21,883)	(247,473)
Cash flows - Interest payments	-	-	-	-	-
Non-cash changes:					
- additions	-	-	-	15,789	15,789
- interest accrued	1,921	-	-	-	1,921
At June 30, 2019	370,337	37,500	-	48,197	456,034

27. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

(d) Reconciliation of liabilities arising from financing activities: (cont'd)

THE COMPANY

	Bank and other loans	Loan from related parties	Total
(iii) **2020**	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2019	**-**	**59,493**	**59,493**
Cash flows - Proceeds	**24,231**	**19,000**	**43,231**
Cash flows - Capital payments	**(1,730)**	**(18,000)**	**(19,730)**
Non-cash changes:			
- foreign exchange movements	**2,484**	**-**	**2,484**
At June 30, 2020	**24,985**	**60,493**	**85,478**
(iv) 2019			
At July 1, 2018	-	61,193	61,193
Cash flows - Proceeds	-	42,000	42,000
Cash flows - Capital payments	-	(43,700)	(43,700)
At June 30, 2019	-	59,493	59,493

28. BUSINESS COMBINATIONS

(a) ***Acquisition of subsidiaries - 2020***

On July 1, 2019, a subsidiary, Velogic Ltd, acquired 50% of the share capital of Global Air Cargo Services Ltd for Rs 0.722 million and obtained the control of Global Air Cargo Services Ltd, whose principal activity is freight forwarding. As a result of the acquisition, the Group is expected to increase its presence in the market. It also expects to reduce costs through economies of scale.

The goodwill of Rs 1.602 million arising from the acquisition is attributable to the acquisition of a diversified customer base and economies of scale expected from combining the courier operations of the Group and Global Air Cargo Services Ltd. None of the goodwill recognised is expected to be deductible from income tax purposes.

	THE GROUP
(i) **Consideration**	Rs'000
At July 1, 2019	
Cash	500
Contingent consideration	222
Total consideration	**722**

28. BUSINESS COMBINATIONS (CONT'D)

(a) ***Acquisition of subsidiaries - 2020 (cont'd)***

	THE GROUP
(ii) **Recognised amounts of identifiable assets acquired and liabilities assumed**	Rs'000
Property, plant and equipment	359
Trade receivables	3,089
Current tax assets	35
Cash and cash equivalents	237
Trade and other payables	(1,762)
Borrowings	(3,710)
Deferred tax liabilities	(8)
Total identifiable net liabilities	**(1,760)**
Non-controlling interest	**880**
Consideration transferred	**722**
Less: Fair value of the net identifiable net liabilities acquired based on the proportionate interest acquired	**(880)**
Goodwill (note 8)	**1,602**

	THE GROUP
(iii) **Net cash outflow on acquisition of subsidiaries**	
	Rs'000
Consideration paid in cash	500
Less: cash and cash equivalents balances acquired	(237)
Net cash outflow	**263**

(iv) The revenue included in the consolidated financial statements from July 1, 2019 to June 30, 2020 contributed by Global Air Cargo Services Ltd was Rs 23.654 million. The acquisition also contributed losses of Rs 1.168 million over the same period.

(b) ***Acquisition of additional interest in VK Logistics Ltd - 2020***

On July 1, 2019, VK Logistics Ltd, a subsidiary, acquired an additional 20% interest in Gencargo Transport Limited, increasing its ownership from 80% to 100%. The carrying amount of Gencargo Transport Limited's net assets in the consolidated financial statements on the date of acquisition was Rs 25.301 million. The Group recognised a decrease in non-controlling interest of Rs 5.272 million. The purchase consideration paid was of Rs 11.650 million.

The following summarises the effect of changes in the Group's ownership interest in Gencargo Transport Limited:

	THE GROUP
	2020
	Rs'000
Parent's ownership interest at beginning of period	10,323
Effect of increase in parent's ownership interest	2,581
Total comprehensive income for the year	5,378
Parent's ownership interest at end of period	**18,282**

28. BUSINESS COMBINATIONS (CONT'D)

(c) *Acquisition of additional shares in Logistics Solution Ltd - 2020*

On June 30, 2020, the Company subscribed to 1,652,072 issued by Logistics Solution Ltd. The other shareholders in Logistics Solution Ltd did not subscribe to the share issue. Hence, the direct holding in Logistics Solution Ltd increased from 98.49% to 98.97%.

The following summarises the effect of changes in the Group's ownership interest in Logistics Solutions Ltd:

	THE GROUP
	2020
	Rs'000
Parent's ownership interest at before issue of shares	779,512
Loan from parent capitalised	165,242
Effect of increase in parent's ownership interest	2,039
Parent's ownership interest at end of period	**946,793**

29. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(a) Rogers IDS Mozambique Limitada

On February 21, 2018, the board approved the sale of Rogers IDS Mozambique Limitada, one of the subsidiaries of the Group. The Sale Purchase Agreement was executed on July 27, 2018.

Analysis of assets and liabilities over which control was lost	THE GROUP
	2019
	Rs'000
Cash and cash equivalents	3,028
Trade and other receivables	2,435
Property, plant and equipment	575
Trade and other payables	(4,843)
Current tax liabilities	(469)
	726
Profit on disposal	4,274
Cash consideration received	5,000
Cash and cash equivalents disposed of	(3,028)
Cash flow on disposal net of cash and cash equivalents	1,972
Satisfied by:	
Cash	1,972

29. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

The Group realised a profit of Rs 4.274 million on the disposal of the subsidiary and this profit is arrived at as follows:

	THE GROUP
	2019
	Rs'000
Consideration received	5,000
Net assets disposed	(726)
Profit on disposal	4,274

The profit on disposal is included in the profit for the year in the consolidated financial statements.

(b) An analysis of the result of the discontinued operations, and the result recognised on the re-measurement of assets or disposal group is as follows:

	2019
	Rogers IDS Mozambique Limitada
	Rs'000
Profit on disposal of discontinued operations	**4,274**
Profit for the year for discontinued operations	**4,274**

(d)

	2018
	Rogers IDS Mozambique Limitada
Disposal group held for sale:	Rs'000
Property, plant and equipment	575
Trade and other receivables	2,435
Cash and cash equivalents	3,028
	6,038

29. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

Liabilities associated with non-current assets classified as held for sale:	2018
	Rs'000
Trade and other payables	4,076
Current tax liabilities	469
	4,545

30. CONTINGENT LIABILITIES

At June 30, 2020, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise. The Company has given guarantees in the ordinary course of business, amounting to Rs 694.589 million (2019: Rs 499.862 million) to third parties.

31. COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to Rs 7.852 million (2019: Rs 3.021 million) for the Group.

32. RELATED PARTY TRANSACTIONS

(a) **THE GROUP**

	Sale of goods or services	Management fees	Finance costs	Amount owed by related parties	Amount owed to related parties	Loan payable
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2020**						
Trading transactions						
Holding company	**-**	**30,183**	**5,774**	**-**	**-**	**150,379**
Fellow subsidiaries	**31,870**	**-**	**-**	**2,098**	**681**	**-**
	31,870	**30,183**	**5,774**	**2,098**	**681**	**150,379**
(ii) 2019						
Trading transactions						
Holding company	-	28,500	2,753	-	-	37,500
Fellow subsidiaries	30,591	-	-	10,762	598	-
	30,591	28,500	2,753	10,762	598	37,500

(b) **THE COMPANY**

	Interest income	Dividend income	Finance costs	Loan receivable	Amount owed by related parties	Amount owed to related parties	Loan payable
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
(i) **2020**							
Trading transactions							
Subsidiary companies	**1,086**	**39,136**	**866**	-	**69,496**	**26,880**	**60,493**
	1,086	**39,136**	**866**	-	**69,496**	**26,880**	**60,493**
(ii) 2019							
Trading transactions							
Subsidiary companies	1,121	32,750	745	195,175	84,388	26,880	59,493
	1,121	32,750	745	195,175	84,388	26,880	59,493

(c) **Key management personnel compensation**

	THE GROUP	
	2020	2019
	Rs'000	Rs'000
Salaries and short term employee benefits	**100,603**	87,228
Post-employment benefits	**15,055**	14,626
	115,658	101,854

(d) For the year ended June 30, 2020, the Company has not recorded any impairment of receivable relating to amounts owed by related parties (2019: Nil).

33. GOING CONCERN

IMPACT OF COVID-19 AND GOING CONCERN

The Coronavirus disease 2019 ("COVID-19") outbreak has caused extensive disruptions to businesses operation around the globe. On March 11, 2020, COVID-19 was labelled as a pandemic by the World Health Organisation. The outbreak of COVID-19 resulted in associated risks and the need for further judgements and assumptions.
Changes to the estimates and outcomes that have been applied in the measurement of the Group's assets and liabilities may arise in the future due to:
- the dynamic and evolving nature of COVID-19;
- the limited experience of the economic and financial consequences of such a pandemic; and
- the short duration between the declaration of the pandemic and the preparation of these financial statements.

Other than the apparent conditions that existed at the end of the reporting period, the impact of events arising after the reporting period will be accounted for in future reporting periods.

The Group operates mainly in the Logistics and Transportation sector across 7 countries including Mauritius. It has considered the impact of the COVID-19 outbreak on its operations.

In the Logistics served market, the Air freight and Courier activities have been affected by the closure of the airport and is expected to impact revenues and profits. Other activities of the Group were not directly impacted but will suffer indirect consequences of the pandemic.

The Group and the Company have generated a profit of Rs 104.490 million and Rs 37.680 million respectively for the year ended June 30, 2020 (2019: profit of Rs. 112.814 million for the Group and Rs 32.301 million for the Company). As at that date, the Group and the Company have positive net assets of Rs 1.662 billion and Rs 1.035 billion respectively (2019: Rs 1.550 billion for the Group and Rs 1.036 billion for the Company). Moreover, as at June 30, 2020, the Company's current liabilities exceeded its current assets by Rs 64.640 million (2019: Rs 16.800 million). Included in the current liabilities are amount due to related parties amounting to Rs 87.620 million and dividend payable to shareholders of Rs. 15.000 million. The Company has also received a letter of support from its holding company, Rogers and Company Limited. The holding company confirms that it will continue to provide full support, in proportion to its shareholding in the Company, during the next twelve months from date of approval of the consolidated and separate financial statements.

The entity's operations and that of its subsidiaries have not been significantly impacted by Covid-19 due to the industries they operate. The main source of revenue to the Company is dividend income which is sustainable due to the profitability situation of the subsidiaries. Moreover, the expenses of the Company are not significant and the Company has the resources available to settle its current and future debts. Based on this evaluation, the directors have made assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but not limited to, twelve months from the date of approval of these financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Group will however continue to monitor the impact that COVID-19 may have on its operations and reflect the consequences as appropriate on its accounting and reporting.

Cashflow and liquidity

The Group debt to Equity ratio remained at a comfortable level 32% at 30 June 2020 compared to 22% at 30 June 2019. The Group has taken the following measures to improve cashflow and liquidity management:

- Eligible subsidiaries have obtained short term moratorium on the repayment of bank loans and interest;
- Each subsidiary monitors closely its capital expenditure and the lifetime of some assets has been extended;
- Some covenants on borrowings have been breached and as a consequence those loans have been reclassified to current liabilities. The concerned company has obtained waivers from its respective financial institutions;
- Regular committee meetings ensure that the working capital is well managed, especially debtors' collection and creditors payment due dates;
- Directly impacted subsidiaries have negotiated for extended suppliers' credit and deferred rent payment during the lockdown period as per the Government regulations;
- The Group's holding company also provides financial support to certain subsidiaries in need.

The above measures taken will reduce liquidity issues and increase resilience. They will help the Group to overcome the crisis whilst continuing to invest in businesses for long term growth.

34. PRIOR PERIOD ADJUSTMENTS

In preparing the financial statements for the year ended June 30, 2020, the Group and the Company identified prior year adjustments and made necessary corrections. Adjustments were made to the financial statements, presentation and disclosures of certain transactions and balances, in accordance with International Accounting Standard, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. They refer to the comparatives for July 1, 2018 and June 30, 2019, unless where specified.

THE GROUP

(a) ***Reclassification from inventories to financial assets at amortised cost***

On June 30, 2018 and June 30, 2019, the Group had receivables for disbursement made on behalf of customers totalling Rs 18.286 million and Rs 16.274 million respectively. The amount was previously reported under inventories. The Group has reviewed the classification for this item and has now recorded it under other receivables in other financial assets at amortised cost.

These adjustments have been taken into account in the Statement of financial position and Statement of cash flows. There is no impact on taxation.

(b) ***Property, plant and equipment***

A review of the residual values and useful lives of plant and equipment resulted in an increase in the carrying amount for fully depreciated assets by Rs 8.406 million for the financial year June 30, 2018. The related depreciation charge was Rs 1.247 million for the financial year 2019. Deferred tax liabilities of Rs 1.429 million for the financial years 2018 and Rs 1.218 million for 2019. The related income tax expense for the financial year 2019 has been adjusted accordingly.

These adjustments have been taken into account in the Statement of financial position, Statement of profit or loss, Statement of changes in equity and Statement of cash flows.

34. **PRIOR PERIOD ADJUSTMENTS (CONT'D)**

(c) ***Interest accrued on Class B Preferences shares classification***

During the audit of the year ended June 30 2020 it was identified that the interest on the preference shares was recognised in other payables. The preference shares are classified as financial liabilities and subsequently measured at amortised cost as per IFRS 9. As a result, the interest payable should be recognised within borrowings (as part of the preference share liability) instead of other payables.

The Group has reviewed the classification of interest accrued on Class B shares and this has been corrected retrospectively. Interest accrued on Class B share is now recorded in borrowings.

These adjustments have been taken into account in the Statement of financial position and Statement of cash flows. There is no impact on taxation.

(d) ***Reclassification of containers on lease from inventories to property, plant and equipment***

Management has reviewed the Group's inventories and noted that containers totalling Rs 3.320 million in 2018 and Rs 2.028 million in 2019 were being rented out. The classification as inventories was an error and should rather be classified as property, plant and equipment. These containers have been reclassified to property, plant and equipment. Depreciation of these containers amounted to Rs 0.204 million in 2018 and Rs 0.155 million in 2019.These adjustments have been taken into account in the Statement of financial position, Statement of profit or loss, Statement of changes in equity and Statement of cash flows.

(e) ***Intangible assets***

No Purchase Price Allocation (PPA) exercise was performed to account for any identifiable intangibles separately from Goodwill. The financial statements have been restated to reflect the effects of the retrospective adjustment of goodwill arising from acquisitions after July 1, 2003. The Group appointed an independent business valuation specialist to perform the PPA exercise. Consequently, identified customer related intangibles and concession rights which should have been recognised separately from goodwill have now been restated.

(i) ***Customer related intangibles***

An amount of Rs 41.402 million was transferred from 'Goodwill' to 'Customer related intangibles' in the line item of the Statements of Financial Position 'Intangible assets' as at July 1, 2018. This amount was subject to an accumulated amortisation of Rs 21.360 million in 2019, Rs 16.034 million in 2018 and related deferred tax impact of Rs 1.420 million in 2019, Rs 6.540 in 2018 million. This also impacted 'Statements of Profit or Loss' for the year ended June 30, 2019 by Rs 3.907 million, 'Retained earnings' 2019 by Rs 3.907 million and retained earnings 2018 by Rs 11.937 million and Retained earnings attributable to 'Non-controlling interests' 2019 by Rs 5.001 million, 2018 by Rs 3.639 million.

These adjustments have been taken into account in the Statement of financial position, Statement of profit or loss, Statement of changes in equity and Statement of cash flows.

(ii) ***Concession rights***

An amount of Rs 180.000 million was transferred from 'Goodwill' to 'Concession rights' in the line item of the Statements of Financial Position 'Intangible assets' as at July 1, 2018. This amount was subject to an accumulated amortisation of Rs 70.642 million in 2019, Rs 67.642 million in 2018 and related deferred tax impact of Rs 18.591 million in 2019, Rs 19.101 million in 2018. This also impacted 'Statements of Profit or Loss' (2019 Rs 2.490 million, 'Retained earnings' 2019 by Rs 57.750 million, 2018 by Rs 55.298 million) and Retained earnings attributable to 'Non-controlling interests' 2019 by Rs 0.883 million, 2018 by Rs 0.845

These adjustments have been taken into account in the Statement of financial position, Statement of profit or loss, Statement of changes in equity and Statement of cash flows.

34. **PRIOR PERIOD ADJUSTMENTS (CONT'D)**

(e) ***Intangible assets (cont'd)***

(iii) ***Acquisition of additional interest in Velogic Haulage Services Ltd***

In 2018, the Group acquired the remaining 20% interest in Velogic Haulage Services Ltd. The surplus consideration paid over the share of net assets acquired amounted to Rs 8.467 million. The amount was incorrectly accounted in goodwill during the year ended June 30, 2018. The amount has been corrected at July 1, 2018.

These adjustments have been taken into account in the Statement of financial position. There is no impact on Statement of cashflows and taxation.

(iv) ***Bargain purchase on acquisition of subsidiaries***

Bargain on purchase of acquisition of ULI, TGAX and Danzas of Rs 10.881 million was incorrectly accounted in goodwill instead of profit or loss during the year ended June 30, 2018 . The amount has been written back as at 30 June 2018.

These adjustments have been taken into account in the Statement of financial position. There is no impact on Statement of cashflows and taxation.

(f) ***Decrease in fair value of investment in Island Bulk Carriers Pte Ltd***

Following a review of the Group's investments in 2019, it was noted that the decrease in fair value of the investment in Island Bulk Carriers Pte Ltd was not recorded in the financial statements and as a result other comprehensive income and financial assets at fair value through other comprehensive income have been restated by Rs 3.675 million in the year ended June 30, 2019.

These adjustments have been taken into account in the Statement of financial position, Statement of profit or loss and other comprehensive income and Statement of changes in equity. There is no impact on Statement of cashflows and taxation.

(g) ***Employee benefit expense***

It was noted employee expense benefit of Rs 39.446 million was incorrectly included in other expenses in the Group's Statements of Profit and Loss for the year ended June 30, 2019. The amount has been adjusted accordingly.

The restatements did not have any impact on the Statement of Cash Flows.

(h) ***Net impairment loss on financial assets***

The classification of net impairment loss on financial assets has been reviewed and disclosed separately as a line item in the Statement of Profit or Loss to be in compliance with IAS 1 paragraph 82. Hence, an amount of Rs 5.661 million has been reclassified from other expenses for the year ended June 30, 2019.

The restatements did not have any impact on the Statements of Cash Flows.

(i) ***Withholding tax on management fee income and interest income classification***

During the audit of the year ended 30 June 2020 it was identified that tax withheld on interest earned on intercompany subsidiaries' loans and management fees charged to subsidiaries were recognised in administrative expenses. The withholding tax should be recognised within income tax expense as these transactions fall within IAS 12 Income Taxes.

The Group has reviewed the classification of withholding tax, and this has been corrected retrospectively. Withholding tax is now recorded in income tax expense.

These adjustments have been taken into account in the Statement of profit or loss and Statement of cash flows.

34. PRIOR PERIOD ADJUSTMENTS (CONT'D)

STATEMENTS OF FINANCIAL POSITION

2018 Impact	Notes	THE GROUP Impact of adjustments As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Non-current assets				
Intangible assets - Goodwill	(e)(i),(ii), (iii), (iv)	634,943	(177,751)	457,192
Intangible assets - Customer related intangibles	(e)(i)	-	25,369	25,369
Intangible assets - Concession rights	(e)(ii)	-	112,358	112,358
Total intangible assets		634,943	(40,024)	594,919
Property, plant and equipment	(b) & (d)	893,622	11,522	905,144
Current assets				
Inventories	(a) & (d)	59,859	(21,606)	38,253
Financial assets at amortised cost	(a)	162,787	18,286	181,073
Equity				
Retained earnings	(b), (d) & (e) (i),(ii), (iii). (iv)	211,154	(54,790)	156,364
Non-controlling interests	(b), (d) & (e) (i),(ii)	138,449	(4,102)	134,347
Non-current liabilities				
Deferred tax liabilities	(b), (d) & (e)(i), (ii)	56,928	27,070	83,998
Current liabilities				
Trade and other payables	(c)	622,544	(12,052)	610,492
Borrowings	(c)	263,140	12,052	275,192

2019 Impact	Notes	THE GROUP Impact of adjustments As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Non-current assets				
Intangible assets - Goodwill	(e)(i),(ii), (iii), (iv)	634,943	(177,751)	457,192
Intangible assets - Customer related intangibles	(e)(i)	-	20,042	20,042
Intangible assets - Concession rights	(e)(ii)	-	109,358	109,358
Total intangible assets		634,943	(48,351)	586,592
Property, plant and equipment	(b) & (d)	908,684	12,148	920,832
Financial assets at fair value through other comprehensive income	(f)	5,219	(3,675)	1,544
Current assets				
Inventories	(a) & (d)	61,330	(21,622)	39,708
Financial assets at amortised cost	(a)	135,450	16,274	151,724

34. PRIOR PERIOD ADJUSTMENTS (CONT'D)

		THE GROUP		
	Notes	Impact of adjustments		
2019 Impact (cont'd)		As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Equity				
Other reserves	(f)	180,758	(1,874)	178,884
Retained earnings	(b), (d) & (e) (i),(ii), (iii). (iv)	272,780	(60,944)	211,836
Non-controlling interests	(b), (d) & (e) (i),(ii)	147,414	(7,338)	140,076
Non-current liabilities				
Deferred tax liabilities	(b), (d) & (e)(i), (ii)	56,849	24,930	81,779
Current liabilities				
Trade and other payables	(c)	691,666	(13,973)	677,693
Borrowings	(c)	227,647	13,973	241,620

		THE GROUP		
STATEMENTS OF PROFIT OR LOSS	Notes	Impact of adjustments		
2019 Impact		As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Employee benefit expense	(g)	(621,626)	(39,446)	(661,072)
Depreciation of property, plant and equipment	(b) & (d)	(96,977)	(1,402)	(98,379)
Amortisation of intangible asset	(e)	(3,661)	(8,327)	(11,988)
Other expenses	(g), (h) & (i)	(255,653)	48,765	(206,888)
Net impairment loss on financial assets	(h)	-	(5,661)	(5,661)
Income tax expense	(b) & (i)	(38,575)	(1,518)	(40,093)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		THE GROUP		
	Notes	Impact of adjustments		
2019 Impact		As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Other comprehensive income:				
Change in fair value of equity instruments at fair value through OCI	(f)	-	(3,675)	(3,675)

34. PRIOR PERIOD ADJUSTMENTS (CONT'D)

STATEMENTS OF CASH FLOWS

		THE GROUP		
	Notes	Impact of adjustments		
2019 Impact		As previously reported	Adjustments	As restated
		Rs'000	Rs'000	Rs'000
Cash generated from/(absorbed in) operations				
Profit before taxation from continuing operations		154,704	(6,071)	148,633
Depreciation of property, plant and equipment	(b) & (d)	96,977	1,402	98,379
Amortisation of intangible asset	(e)	3,661	8,327	11,988
Changes in working capital:				
- inventories	(a) & (d)	(1,471)	16	(1,455)
- trade receivables, financial assets at amortised cost and prepayments	(d)	(92,823)	2,012	(90,811)
- trade and other payables	(i)	69,122	(1,921)	67,201
Interest paid	(i)	(32,550)	1,921	(30,629)
Tax paid	(i)	(24,312)	(3,658)	(27,970)
Cash flows from investing activities				
Purchase of property, plant and equipment	(d)	(82,522)	(2,028)	(84,550)

THE COMPANY

(a) ***Reclassification of investment in subsidiaries to loan receivables***

During the audit of the year ended June 30, 2020, it was identified that a loan receivable from one of the subsidiary of the Company has been recognised in trade and other receivables as at 30 June 2018 and as investment in subsidiary as at June 30, 2019.

The Company has reviewed the classification of the loan receivable from its subsidiary and this has been corrected retrospectively.

(b) ***Net off of receivable and payable to subsidiary***

On June 30, 2018 and June 30, 2019, the Company had an amount receivable from and payable to its subsidiary, Rogers Shipping Pte Ltd of Rs 26.880 million that was netted off in the financial statements. The Company has reviewed these transactions and noted that these should be disclosed on a gross basis.

34. PRIOR PERIOD ADJUSTMENTS (CONT'D)

STATEMENT OF FINANCIAL POSITION

	Notes	THE COMPANY Impact of adjustments		
		As previously reported	Adjustments	As restated
2018 Impact		Rs'000	Rs'000	Rs'000
Non-current assets				
Financial assets at amortised cost - Non current	(a)	-	211,075	211,075
Current assets				
Financial assets at amortised cost - Current	(a) & (b)	267,252	(184,195)	83,057
Current liabilities				
Trade and other payables	(b)	843	26,880	27,723
2019 Impact				
Non-current assets				
Investment in subsidiaries	(a)	1,053,032	(195,175)	857,857
Financial assets at amortised cost - Non current	(a)	-	195,175	195,175
Current assets				
Financial assets at amortised cost - Current	(b)	57,508	26,880	84,388
Current liabilities				
Trade and other payables	(b)	451	26,880	27,331

There is no impact on the statement of profit and loss and statement of cash flows.

35. EVENTS AFTER REPORTING DATE

On July 14, 2020 the board of directors have approved a new corporate guarantee given by the Company of Rs 29.120 million (INR 55 million) in respect of a banking facility given to one of its subsidiaries. Furthermore, on September 16, 2020 the Company obtained a waiver for the breach of covenant stating that the event as described in Note 18(j) is not considered as event of default. Except for the above events, there were no material events after the reporting period which would require disclosure or adjustments to the financial statements for the year ended June 30, 2020.