Gamma

Integrated Annual Report

2023

scaling up

About this Report

Gamma Civic Ltd ("Gamma") has embarked on its journey towards integrated reporting. This hybrid report incorporates elements of integrated reporting, and provides information about the strategy, activities and performance of Gamma Group for the year ended 31 December 2023.

The contents and presentation of this report are guided by the IFRS Foundation's Integrated Reporting Framework, which promotes transparent communication on financial and non-financial performance. The corporate governance report has been prepared in accordance with the National Code of Corporate Governance for Mauritius (2016) and the financial statements comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and are prepared in accordance with the International Financial Reporting Standards.

The Board of Directors acknowledges its responsibility in ensuring the integrity of the report.

Tommy Ah Teck
Executive Chairman

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Who We Are

Our Essence

"Together, we will improve the quality of life through innovative leadership."

Gamma's Guiding Principles

Loyalty and Sincerity

- We are always True to our own principles and in what we believe in.
- We do not cheat our partners and we are always Truthful in dealing with them.
- We believe in strong enduring relationships.
- We have heart and are guided by moral values.

Trust and Respect

- We earn the Trust of our partners by maintaining a climate of truth and the Respect of our partners through open communication and collaboration.

Discipline and Hard Work

- We lead by example and endeavour to maintain a high level of Consistency, Accountability, and Effectiveness at everything we do.

Courage

- We have the Courage to take risks in our quest to drive sustainable growth.
- We Challenge ourselves by never being satisfied with the mediocre.
- We are Performance Driven.

Fairness

- We believe in Fair Process and Meritocracy.
- We aim to embody Impartiality and Fairness in all our decision making.

Reputation and Dependability

- We Honour our Word and we take Responsibility for our decisions and actions.

Strong Value Creation

- We believe in value creation through Innovation, Talent and Technology.
- We continuously look at new ways of doing things, smarter ways.
- We think out of the box.

At a Glance

Key Financials

	2023	2022
Revenue	**Rs 6,697M**	Rs 5,553M
Profit After Tax	**Rs 443M**	Rs 481M
Total Comprehensive Income	**Rs 514M**	Rs 514M
Total Assets	**Rs 8,622M**	Rs 7,846M
Market Capitalisation	**Rs 4,597M**	Rs 5,050M
Dividend Per Share	**Rs 2.25**	Rs 2.00

A Diversified Group

Number of **shareholders**

1,606

% of revenue generated in Mauritius

96%

Number of companies listed on the **Stock Exchange of Mauritius**

2 Official Market

2 Development & Enterprise Market ("DEM")

Number of **companies**

56 Subsidiaries

5 Associates

2 Joint ventures

Commitment to sustainability and society

Rs 90.3M
Income tax paid

36
Number of Non-governmental organisations ("NGOs") and Community Partners supported

Rs 7M
Corporate Social Responsibility ("CSR") contribution

Gamma Through the Years

1994
- Gamma Civic Ltd was admitted to the Stock Exchange of Mauritius on 30 November 1994

2000
- Completion of the construction and operation of a cement terminal through our subsidiary, Ciments de L'Ocean Indien Limitee (now known as Kolos Cement Ltd)
- Opening of Hilton Mauritius Resort & Spa

2005
- Gamma rebranding

2008
- Addition of ex-HSBC Centre in Ebène to the Group's Real Estate portfolio

2009
- Launch of the Mauritius National Lottery by Lottotech Ltd
- Construction of Barclays House in Ebène
- Upgrading of Quartier Militaire Road (B6) from Wooton to Belle Rive

2011
- Strategic Alliance with Ingenerie et Participations Financières, a member of Colas S.A. through Gamma Materials Ltd
- Construction of Raffles Tower in Ebène
- Upgrading of Dr AG Jeetoo Hospital in Port Louis into a state-of-the-art hospital
- Construction of 33 luxury IRS villas including infrastructure works

2014
- Listing of Lottotech Ltd on the Official Market of the Stock Exchange of Mauritius

2015
- Transition from a family managed company to an organisation managed by professionals
- Gamma acquires 51% of Kolos Cement Ltd, making it a wholly owned subsidiary
- Infrastructural works for Côte d'Or Integrated/ Mixed Development Project

2017
- Sale of ex-HSBC Centre

2018
- Listing of Kolos Cement Ltd on the Development & Enterprise Market of the Stock Exchange of Mauritius
- Strategic alliance with WH Investments Pte. Ltd, a company registered in Singapore with substantial businesses and industrial assets in Indonesia and Vietnam

2021
- Launch of Mafonja cement in Madagascar, through Kolos Madagascar SA

2022
- Strategic partnership with LudWin Group SAS, a French based company with gaming operations in various African countries

2023
- Increased our shareholding in LudWin Group SAS to 51%
- Signing of SPA for the acquisition of the only industrial cement operator in Madagascar (acquired in February 2024 and thereafter trading as Alpha Ciment SA)

Group Structure

Gamma

Contracting	Building Materials	Property	Lottery & Gaming Technology	Financial Services	Hospitality	Shared Services & Others	Corporate Social Responsibility
Gamma Construction	Gamma Materials	BR Capital	Lottotech	Gamma Treasury Management	Morning Light	Gamma Corporate Services	Gamma Foundation
100%	**50%**	**100%**	**56.1%**	**100%**	**25.3%**	**100%**	**100%**
	Kolos Cement		Loterie Vert	Jasiri Group		GammaTech	
	74%		**56.1%**	**50%**		**100%**	
	Kolos Building Materials		Pool Joseph Merven				
	74%		**56.1%**				
	Kolos Madagascar		LudWin Group SAS				
	73.6%		**51%**				

Corporate Information

Board of Directors

Chian Tat (Tommy) Ah Teck, BSc, MPhil	Executive Chairman
Chian Luck (Patrice) Ah Teck, BA	Vice-Chairman & Non-Executive Director
Boon Hui Chan, CFA	Independent Non-Executive Director
Jack Michael Jason (Jason) Ah Teck, BEng, MA	Executive Director
Jean-Claude Lam Hung, BA, FCA	Non-Executive Director
Hans Erik Christian (Christian) Wiklund, MSc	Independent Non-Executive Director
Lim Sit Chen (Maurice) Lam Pak Ng, MBA	Independent Non-Executive Director
Paul Halpin, B Comm, FCA	Lead Independent Director (Non-Executive)
Sui Lien (Marie Claire) Chong Ah-Yan, BA, Btech(HRM)	Non-Executive Director
Twalha Dhunnoo, BA, MA, MEng, FCA	Executive Director, Deputy CEO & Chief Investment Officer (CIO)

Auditors

Deloitte
7–8th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebène 72201
Mauritius

Bankers

ABC Banking Corporation Ltd
Absa Bank (Mauritius) Limited
AfrAsia Bank Limited
Bank One Limited
BNI Madagascar
MauBank Ltd
SBM Bank (Mauritius) Ltd
SBM Madagascar
Standard Chartered Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

Registered Office

Royal Road
Chapman Hill
Beau Bassin
Mauritius

Principal Place of Business

4th Floor
18 Bank Street, Cybercity
Ebène 72201
Mauritius

Company Secretary

Gamma Corporate Services Ltd
1st Floor
18 Bank Street, Cybercity
Ebène 72201
Mauritius

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Gamma in Context

Executive Chairman's Statement

Dear Shareholders,

I am pleased to bring to you the annual report of Gamma Civic Ltd ("Gamma" or the "Group") for the year ended 31 December 2023. This year's report holds special significance as it represents our inaugural hybrid report, a testament to our continued commitment to transparency and integrated reporting.

As we embark on this three-year integrated reporting journey, our strategy remains steadfast in seizing opportunities and maximising returns for our shareholders. This report serves as a reflection of our progress, achievements, and aspirations.

Consolidating our Strategy by **SCALING UP**

Building upon last year's key theme of "Protect, Harvest, and Grow" we are proud to underscore our unwavering focus on growth and **SCALING UP** – to expand our market presence, diversify our revenue streams, and capitalise on emerging opportunities, particularly beyond our domestic borders. I am pleased to highlight several key expansion initiatives that have shaped our journey in the past year.

Expanding upon the strategic investment made in the Lottery & Gaming Technology segment through LudWin Group SAS ("LudWin"), as highlighted in last year's report, we are pleased to provide an update on the progress of this venture. LudWin is a French headquartered group with multiple operations across Africa and with a track record of delivering technology and distribution infrastructure to gaming operators. After the milestone framework agreement secured with a major international gaming industry leader, LudWin further solidified its position as a key player in the gaming sector. Building on this success, we have exercised our rights to convert our investment in bonds into equity shares, thereby increasing our shareholding to 51% during 2023. This strategic move reflects our confidence in LudWin's long-term potential and our vision of **SCALING UP** beyond our borders.

We are excited to share another significant development that will *scale up* our footprint in the Building Materials segment outside Mauritius. In February 2024, together with our strategic partner we completed the acquisition of the only industrial cement operator in Madagascar in line with the Group's strategy to expand geographically and to strengthen our position as a leading cement industrial player in the Indian Ocean region.

Our commitment to real estate development remains firm and we believe the Group can *scale up* and create substantial value in this segment locally. With a deep-rooted understanding of the industry and a track record of success, we are well-positioned to capitalise on the myriad opportunities present in the real estate market. As we navigate the complexities of the market, our focus remains on executing strategic real estate projects, leveraging on our vertically integrated structure and industry expertise, to create value through innovative real estate solutions that meet the evolving needs of our stakeholders.

These endeavours underscore our unwavering commitment to identifying and capitalising on opportunities that drive value creation for our stakeholders.

Our People and our Guiding Principles

Our journey towards **SCALING UP** is deeply rooted in our people and our guiding principles. As we navigate the complexities of the global market, we remain committed to fostering a workplace culture characterised by ***loyalty and sincerity***, ***courage***, ***discipline*** and ***hard work***. The Gamma Guiding Principles continue to serve as the cornerstone of our organisational ethos.

Building upon our past success, we are actively engaged in redefining our 2030 vision, guided by the feedback and insights of our stakeholders. This iterative process underscores our commitment to transparency and collaboration as we shape the future trajectory of Gamma. Through strategic retention and development strategies, we aim to cultivate a talent pipeline that not only sustains our present operations but also lays a strong foundation for future generations. This commitment, coupled with our dedication to inclusivity and empowerment, will continue to drive our integrated reporting journey forward, ensuring that we create sustainable value for all stakeholders.

Performance & Financial Strength

I am pleased to present our financial performance which reflects our continued resilience and strategic focus amidst challenging market conditions. In 2023, the Group achieved record-high revenue of Rs 6.7 billion, representing a 21% increase from the prior year – a testament to our robust performance and strategic initiatives.

The year under review was characterised by geopolitical tensions and global economic uncertainties, including inflationary pressures and rising capital costs. Despite these challenges, we are pleased to report an operating profit of Rs 323 million (2022: Rs 347 million) and a profit after taxation of Rs 443 million (2022: Rs 481 million) for the year. Our diversified portfolio, characterised by strong performance in the Building Materials, Lottery & Gaming Technology, Contracting, and Financial Services clusters, has helped mitigate the adverse impact of the challenging market conditions on our cement distribution venture in Madagascar and the effects of cement price control in Mauritius.

The leadership position of our businesses in their respective industries is underpinned by a robust partnership model that fosters collaboration and innovation. Looking ahead, I am confident in our ability to continue to navigate uncertainties, harness opportunities, and remain focused on value creation. As such, I am pleased to announce our dividend per share paid during the year increased to Rs 2.25 (2022: Rs 2.00), representing a dividend yield of 6.5%. This decision reflects our confidence in the long-term prospects of our business and our dedication to providing consistent returns to our shareholders.

The Gamma Group ESG Roadmap

Our adoption of the Integrated Reporting Framework signifies a significant shift from a shareholder-centric to a stakeholder-oriented view in our strategy. As we navigate the complexities of sustainability within our investment portfolio, we value the importance to balance financial returns with environmental, social, and governance (ESG) considerations. While our ESG roadmap and strategy are still taking shape, our adoption of Integrated Reporting sets the stage for a holistic approach to value creation that extends beyond financial metrics. On 26th June 2023, the International Sustainability Standards Board (ISSB) introduced its IFRS Sustainability Disclosure Standards. By aligning with the integrated reporting principles and the forthcoming sustainability standards, we are proactively addressing the evolving landscape of sustainability reporting. Our commitment to stakeholder engagement and transparent reporting underscores our strategic intent to foster responsible investment practices and create long-term value across our operations.

Future Outlook

As we look to the future, we recognise that both our local and global landscape are evolving at an unprecedented pace marked by high volatility, technological advances, and environmental challenges. By leveraging on our strong foundations and remaining true to our guiding principles, we will continue to scale up responsibly and generate sustainable returns for our stakeholders. With a resilient business model and a dedicated team of professionals, we are confident in our ability to navigate the challenges and emerge stronger.

Acknowledgements

I am deeply privileged and honoured to be supported by my fellow board members who have individually and collectively contributed their diverse expertise and insights, which have been invaluable in the Group's journey. Their unwavering commitment and collaborative spirit have been instrumental in steering our Group through the challenges of the past year. I am immensely grateful for their dedication and the dynamic leadership they have exhibited, ensuring our continued growth and success.

On behalf of the Board, I extend our appreciation to the leadership teams and our employees across the entities of the Gamma Group.

Finally, my heartfelt appreciation goes out to each stakeholder, partner, customer, supplier and shareholder for their unwavering commitment and support. Your collective contributions are invaluable to our sustained success and growth. I thank you for being an integral part of our journey.

Tommy Ah Teck
Executive Chairman

Our Value Creation Business Model

Key Group Inputs

Financial Strengths

- Diverse revenue streams
- Sustained profitability
- Strong balance sheet with strong cash flows
- Access to diverse and flexible sources of capital and funding
- Dedicated funds to drive growth through strategic alliances and acquisitions
- AA credit rating [CARE MAU AA-Stable]

Strong Relationship

- Cluster collaboration
- Strong partnership model with established business relationships spanning over 35 countries
- Regular stakeholder engagement
- Reliable supplier relationships
- Support local communities

Tangible Assets

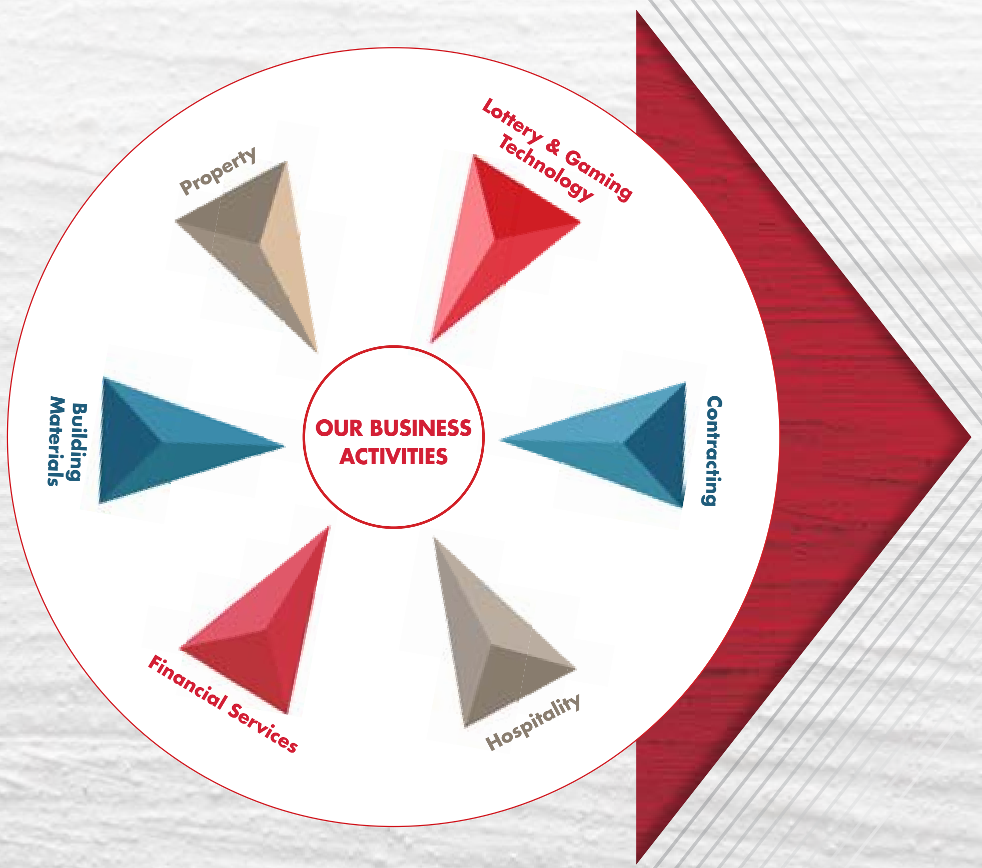
- Operational footprint across 7 countries
- Strategic land bank for future development
- Recently renovated 5-star beachfront hotel
- Gaming infrastructure and technology
- Specialised construction equipment and technology

Intangible Assets

- Recognised and strong brands
- Research and development capabilities
- Well-established system and processes
- Strong governance and ethical conduct

Our Business Model

- Gamma adopts a decentralised management philosophy, empowering its investee companies with autonomous boards of directors and independent management structures, while providing support from the centre
- Gamma exerts its influence through representation on the boards of these companies with involvement mainly focused on the provision of support and oversight rather than on being involved in the day-to-day management
- The support derived by investee companies includes strategic direction, financial capital, managerial support through access to Gamma's broad and diverse network of human capital, and the creation of an environment conducive for corporate transactions
- Regular meetings between Gamma and the head of investee companies provide a structure to collaborate and share knowledge across various functions



Our Key Business Outcomes

- Invest in new businesses according to investment criteria of value creation
- Strategies to establish, grow and maintain market leadership positions and build competitive advantage for our businesses
- Best management teams to implement, at a business level, the strategies we develop
- Strategic and corporate support to ensure effective strategy implementation
- Allocate and reallocate capital to maximise returns, grow earnings and protect balance sheet
- Continuously review portfolio to assess exit or growth strategy

Positive Outcome for Stakeholders

Our Customers

- High-quality products and services

Communities, Partners and Suppliers

- Active partnerships which create inclusive places and help grow social value and well-being

Our People

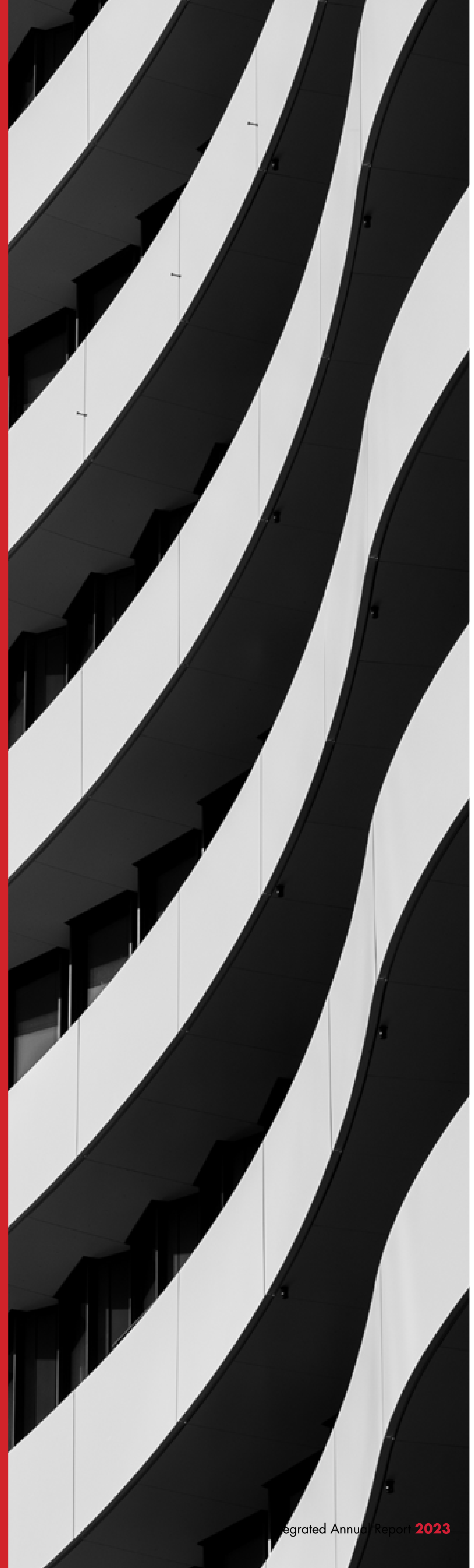
- A diverse and inclusive workplace, where people can achieve their full potential

Shareholders

- Sustainable long-term income and value creation

Stakeholder Engagement

	Reasons for engaging	Needs and expectations	How we engage
Partners	• Strategic alliances or collaborative partnerships and create synergies based on ***loyalty and sincerity***, tap into resources, capabilities and expertise to complement own strengths • Expansion strategy, capitalise on growth opportunities	• Shared objectives for strong ***value creation*** • Collaborative partnerships through clear communication • ***Trust and respect*** acknowledging expertise and contributions • Transparency and integrity	• Regular engagement through our different governance forums • Networking events, business forums, industry gatherings and conferences
Employees	• People, our best brand ambassadors, are at the heart of our business and they enable the execution of our business strategies • Alignment to Group's objectives to drive business performance, bring innovation and efficiency • Positive relationships that generate repeat business from loyal and satisfied customers	• Be an employer of choice by nurturing an environment of ***trust and respect***, promoting ***fairness***, rewarding ***discipline*** and ***hard work*** • Feel valued, respected and empowered • Maintaining at all times a safe and healthy working environment • Investment in their personal development to help them reach full potential and grow their career	• One-to-one and team discussions through both formal and informal platforms • Learning and development programmes including coaching to improve performance and unleash potential • Regular social events and other team member engagement activities • Dialogue and performance reviews, career talks to discuss possibilities of development within the Group • Engagement surveys • Digital collaboration tools
Customers	• Strengthen customer relationships and trust through proactive engagement • Gain insights into customer preferences and needs for continuous improvement • Demonstrate our commitment to customer satisfaction and loyalty	• High-quality products and services that meet their specific requirements thus maintaining our ***reputation*** and ***dependability*** • Transparent and fair pricing policies • Responsive customer support and assistance • Accessible and user-friendly platforms for transactions and communication • Personalised experiences and value-added services	• Regular feedback collection through surveys and direct interactions • Dedicated customer service teams available for inquiries and issue resolution • Proactive communication on product updates, promotions, and company initiatives. • Tailored marketing campaigns and loyalty programmes • Collaborative product development based on customer feedback and market trends
Financial Institutions	• Provide funding solutions for existing operations and new business ventures • Leverage on relationships to optimise funding requirements and resource allocation	• Good financial performance; strong profitability, cash flows and healthy balance sheet • Strong corporate governance and compliance to laws and regulations ensuring good financial conduct • Accuracy and transparency of communication and in disclosure of financial information • Commitment to long-term relationship based on trust, reputation and track record	• Communication through announcements to stock exchange, press releases and via emails • Gamma's website • Regular networking



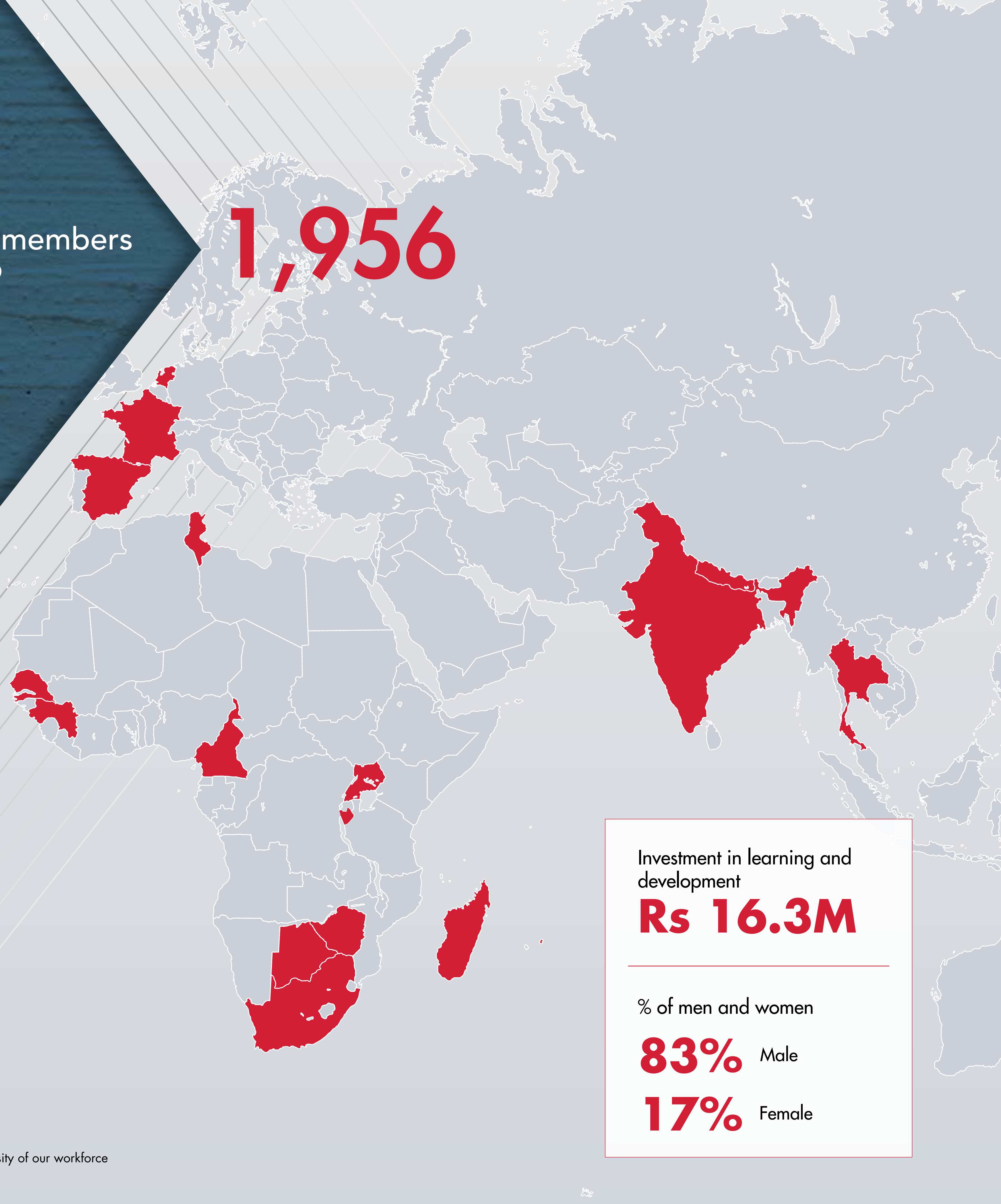
Stakeholder Engagement Continued

Stakeholder	Reasons for engaging	Needs and expectations	How we engage
Local Authorities & Regulators	• Foster transparent and cooperative relationships with regulatory bodies • Ensure compliance with local laws, regulations, and standards • Collaborate on community and economic development initiatives aligned with regulatory guidelines	• Timely reporting and compliance with regulatory requirements • Responsible environmental and social practices • Engagement in public consultations and feedback mechanisms • Relationship building established on trust, respect and cooperation • Contribution to local economic development and infrastructure	• Regular engagement through meetings, forums, and consultations • Participation in industry associations and working groups • Swift response to inquiries and compliance audits
Local Communities and NGOs	• Strengthen community ties and contribute to local development • Collaborate on social initiatives aligned with community needs • Build trust and mutual respect through meaningful partnerships	• Support for community projects, education, and healthcare • Involvement in social responsibility initiatives aligned with priority intervention areas • Active partnerships to create inclusive places and enhance social values and well-being	• Partnerships with NGOs via Gamma Foundation • Participation in community outreach programmes and sponsorships • Transparent reporting on community impact and initiatives
Suppliers	• Build sustainable and mutually beneficial partnerships • Ensure quality and reliability of supply chain • Collaborate on innovation and product development	• Timely payments and fair business practices • Transparent communication and feedback mechanisms • Alignment with corporate sustainability goals • Opportunities for capacity-building and growth	• Regular supplier assessments and feedback sessions • Transparent procurement processes and contracts • Participation in supplier development programmes • Establishing trust, professionalism and mutual respect
Shareholders	• Shareholders invest in our vision and success • Transparency and accountability • Mutual value creation	• ***Strong value*** creation and sustainable returns on investment • Regular updates on financial performance and strategic direction • Clarity on governance practices and decision-making processes	• Annual meetings • Annual reports and quarterly reports published on the company's website • Communication through announcements to stock exchange, press releases and via emails • Responding promptly to shareholder inquiries and concerns

Human Capital

Number of team members across the **Group**

1,956



Geographical diversity of our workforce

Investment in learning and development

Rs 16.3M

% of men and women

83% Male

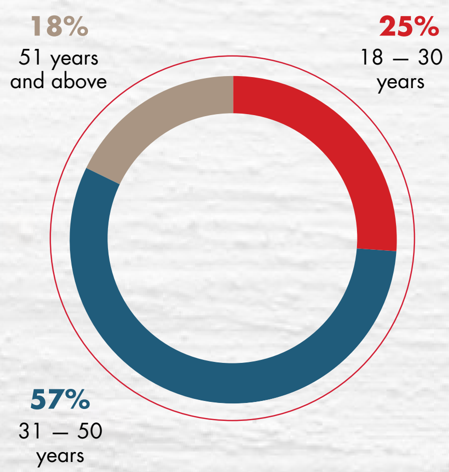
17% Female

Years of Service

43% Team members in our employment for over 5 years

9% Team members in our employment for over 20 years

Employees by Age Group



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Our Corporate Social Responsibility

This section covers Gamma Group's social engagement in 2023.

Overview

In 2023, Gamma Group has collectively contributed MUR 7M towards CSR initiatives partnering with 36 NGOs and collaborators with over 3,000 beneficiaries. The operating companies contribute to the Group's CSR initiatives, coordinated by Gamma Foundation on top of their respective CSR programmes.

Rs 7m **Total Funds Contributed**

3,000+ Est. Beneficiaries

36 NGOs and Community Partners

Quality Education

Quality Education remains a priority subject matter for Gamma Foundation and Gamma Group, and holds a central position within our CSR programme. It is an understatement that education has a pivotal role in transforming lives and communities, driving social progress and economic development. Our numerous initiatives around education reflect our belief and also our commitment to help create a brighter and equitable future for the next generations.

One of the Foundation's and the Group's flagship programme is **#givedreamsachance** with Centre d'Amitié, a pre-primary school and nursery in Bambous, a project which we initiated in 2022 whereby Gamma Group's employees demonstrate their personal engagement by becoming godparents of the students of Centre d' Amitié. Thanks to the generosity of the employees, we have reiterated the 2nd edition in 2023. The students continue to receive a daily breakfast and lunch, school supplies and the financial support of an additional teaching staff to ensure better academic experience. In addition, the toddlers in the nursery are being provided with milk and nappies.

Furthermore, the Foundation has decided to pursue its support to Centre d' Amitié to honour late Soeur Bernadette, founder of the school who passed away in 2023. She dedicated her life to schooling of the underprivileged in the vicinity of Bambous village through Centre d'Amitié.

Gamma Group supports other educational programmes such as;

- École des Maçons, a project established by Bâtir Agir Foundation under Kolos Cement, run in partnership with the Mauritius Institute of Training and Development (MITD), providing basic masonry skills training.
- For over 10 years, Kolos Cement has been sponsoring provision of remedial classes to Grade V and VI students of La Briquetterie primary school in Sainte Croix.
- Lottotech continues its support to Future Hope, a school that provides academic support and extra-curricular activities to children from ZEP schools experiencing academic difficulties.
- Gamma Foundation provides financial support to AnouGrandi, an association that provides education to children with developmental disabilities. It consists of a pre-elementary section, a primary school and a young adult section with employability subjects. The association received contribution for the purchase of a container to be used as a classroom for the extracurricular activities given that with an increasing student population, space is becoming an issue.
- The proceeds from the 7th edition of the Hilton Charity Trail held in November 2023 has been distributed to 3 NGOs; Association de L' Ecole Familiale de L'Ouest, Atelier Mo'Zar and Smile Train Association (Cleft care).

Good Health & Well-being

Gamma Materials through Gamma Foundation has expressed its support to Association des Parents pour la Réhabilitation des Infirmes (A.P.R.I.M.), a day care centre which caters for children and young adults with physical and intellectual disabilities. Our financial support helps to improve the quality of life of the 36 teenagers and young adults. Therapeutic equipment has been purchased to improve sensory skills and level of concentration and alertness.

Empowering Communities

Lottotech has reiterated its 4th edition of Lottotech Seeds aimed at empowering women entrepreneurs. Out of 144 projects received in 2023, 13 were shortlisted and the top three were awarded a seeding investment for their respective startup or to fund their project.

Environmental & Sustainability

Kolos Cement launched Retourn to Plastik, a national plastic recycling initiative in May 2022 with the help of various stakeholders aimed at collecting plastic films that are used to cover cement bags. The plastic films are recycled and repurposed into poly-pipes and conduits (Isorange). To deliver on this project, Kolos has designed an approach based on 3 goals namely; Education & Awareness, Collect & Repurpose and Collaboration. The team achieved its 2022 objectives with 13,9 tons of plastic collected and 8 tons in 2023. Through this initiative, Kolos Cement ambitions to drive change and contribute to a sustainable material and construction industry.

In 2023, Lottotech has been awarded the PwC Sustainability Awards, in the wholesale and retail category, for the company's contribution and commitment to sustainability. The company also launched a pilot project to upcycle used bet slips and lottery tickets to produce pencils that will be distributed to underprivileged schools. The particularity of this project is that the pencils are 100% biodegradable and also contain seeds that can be planted at the end of their lifecycle, thereby helping in completing the circle of going back to nature.

Responsible Gaming

Lottotech, being a member of the World Lottery Association (WLA), was invited as Speaker at the Responsible Gaming Conference held in Oslo in September 2023. Lottotech was represented by the company's CSR and Communications Manager who addressed the audience on sustainability and how businesses can be successful and have a positive impact on society.

Lottotech continues its collaboration with 4 NGOs which provide counselling services to address gambling-related disorders, namely Centre d' accueil de Terre Rouge, Chrysalide, Etoile d' Espérance and Centre de Solidarité.

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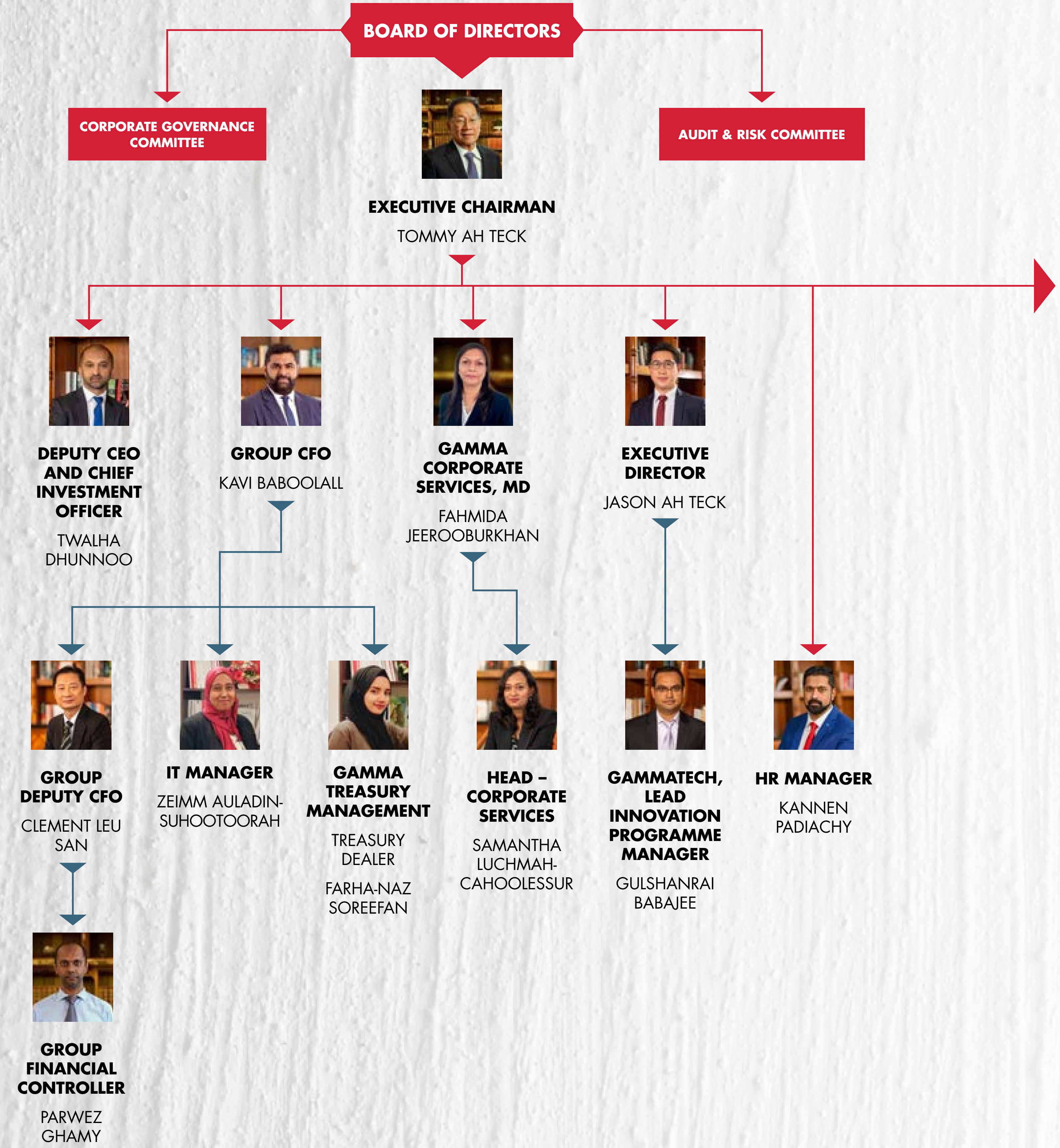
Operating Review

Organisation Structure & Executive Team



CLUSTERS

Building Materials

Bernard Lan, GM – *Gamma Materials Ltd*

Dominique Billon, GM – *Kolos Cement Ltd*

Contracting

Shailesh Beejadarsing, CEO – *Gamma Construction Ltd*

Property

Faatima Salehmohamed Seetal, *Property Development Manager – Gamma Civic Ltd*

Lottery & Gaming Technology

Moorghen Veeramootoo, CEO – *Lottotech Ltd*

Christophe Caye, Président & CEO – *LudWin Group SAS*

Hospitality

Jacques Brune, GM – *Hilton Mauritius Resort & Spa*
(Morning Light Co. Ltd)

Financial Services

Jasiri Investment Ltd

Group & Divisional Review

GROUP REVIEW

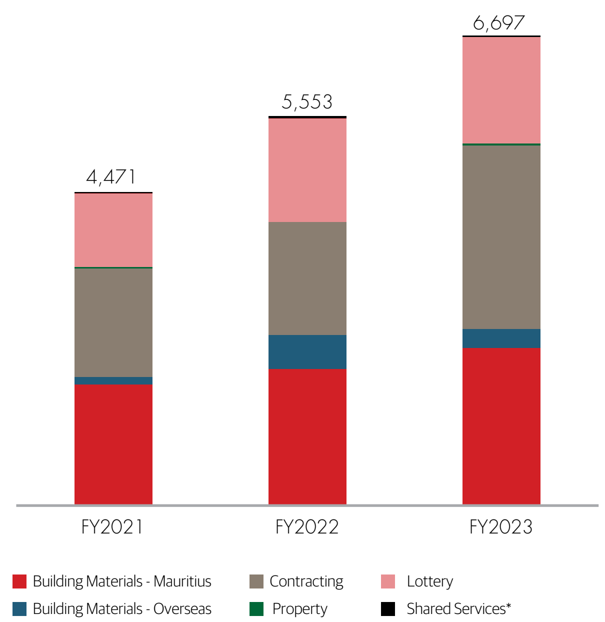
Performance

The group achieved a record-high revenue of Rs 6.7billion in 2023, a 21% increase compared to 2022 attributable to all our clusters. This remarkable feat has been achieved by retention of our existing customers and gaining new market share and contracts, without any inflation-linked increase in selling price of the products and services offered by our subsidiaries.

The profit after tax ("PAT") for the year amounted to Rs 443M, an increase of Rs 100M (29%) from the normalised PAT of Rs 343M in 2022 after adjusting for a first-time revaluation gain on Investment Property.

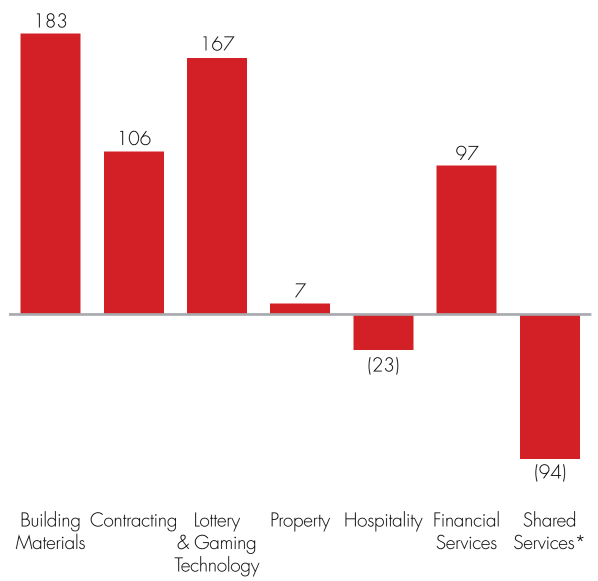
The main PAT contributors were Building Materials, Contracting, Lottery & Gaming Technology, and Financial Services clusters.

Group Revenue (Rs M)



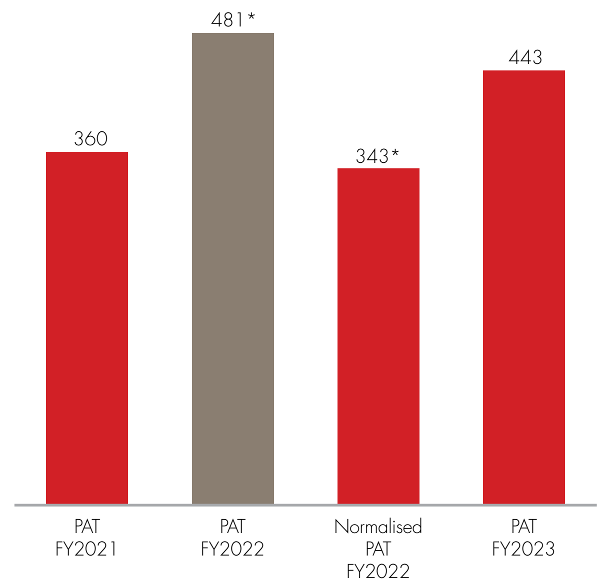
includes corporate office support, net of Group eliminations

Cluster PAT (Rs M)



includes corporate office support, net of Group eliminations

Group PAT (Rs M)

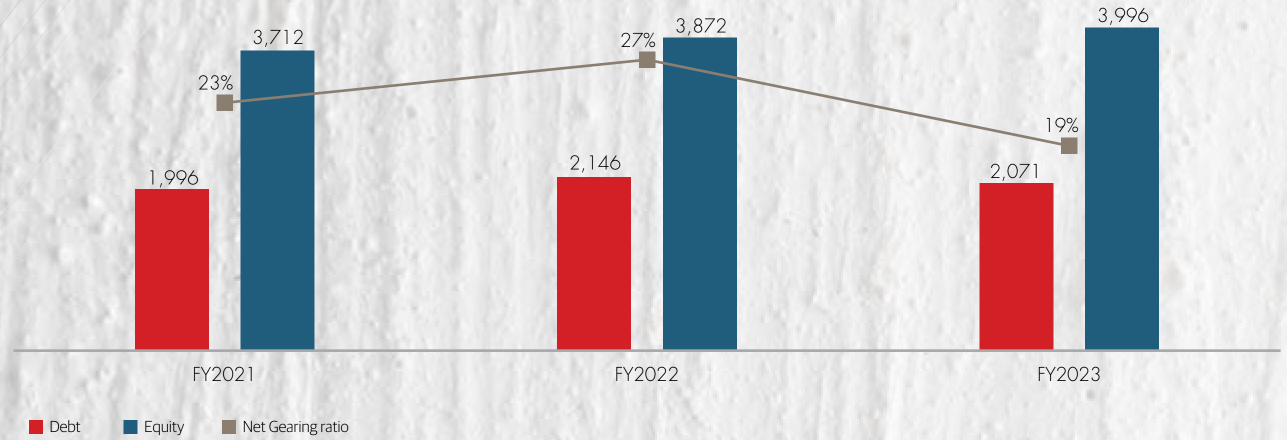


Normalised PAT in FY2022 excludes first-time revaluation gain

Performance

Net debt decreased to Rs 777M due to cash generated from our operations and effective working capital management in place. The gearing ratio decreased from 27% in 2022 to 19% in 2023.

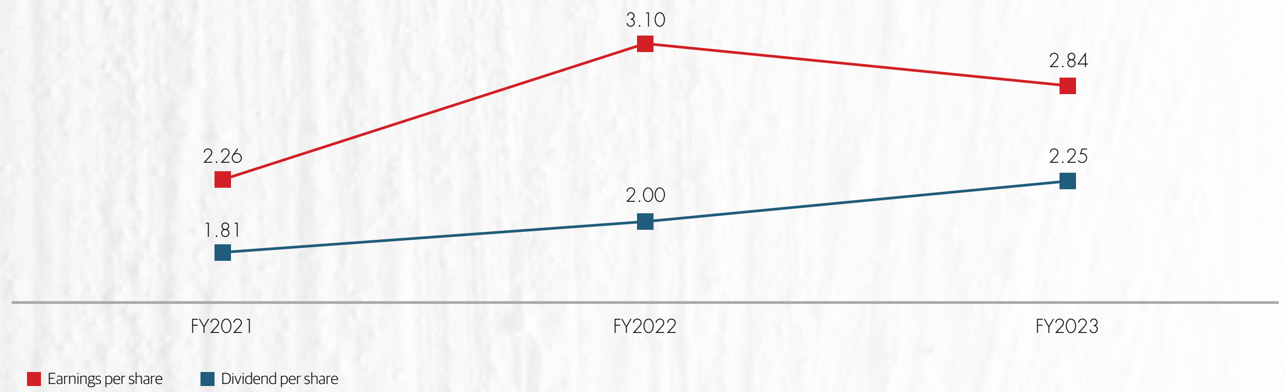
Net Gearing and Debt (Rs M)



Performance

The increase in dividend per share of 25 cents compared to 2022 is directly linked to the increase in normalised PAT and is in line with providing consistent returns to the shareholders.

Earnings and Dividend per Share (Rs)



BUILDING MATERIALS CLUSTER

FY2023 Contribution to Group Performance (%)

- Revenue: 38%
- Profit after tax: 41%
- Net operating assets: 44%

Key Inputs

- Raw materials (gravel, cement, aggregates)
- Manufacturing equipment and machinery
- Skilled labour (production workers, quality control)
- Energy resources (electricity, fuel)
- Research and development for product innovation

Key Outputs

- Manufactured building materials (cement, aggregate, concrete, bricks, pavements)
- Product quality and adherence to industry standards
- Waste management and recycling initiatives
- Supply chain management and logistics

Key Revenue Drivers

- Sale of building materials
- Pricing strategy and cost management
- Brand reputation and customer satisfaction
- Market demand for residential and commercial development
- Geographic expansion into new markets

Overall Performance & Outlook

The increase in revenue to Rs 2,515M is attributable to an increase in market share locally. The price control on cement products negatively affected results as the increase in cost of raw materials and Rupee depreciation against the foreign currencies could not be passed on to customers. Our subsidiary in Madagascar was negatively affected by difficult market conditions that prevailed throughout the year.

Our Joint Venture, Gamma Materials Ltd, delivered commendable performance for the year, driven by diligent efforts to contribute to large infrastructural projects.

Management continues to engage with the authorities in Mauritius to find an acceptable solution to mitigate the impact of price control on the cement industry. The division anticipates increased cement sales volume in 2024, aligning with the country's infrastructure and social projects. However, the division remains under pressure due to price controls, limiting our ability to respond to inflationary pressures and market dynamics.

The Group reviewed its operations in Madagascar and, in February 2024, entered in a 50:50 Joint Venture to acquire the largest cement operator in Madagascar. This acquisition will bring synergies and efficiencies to our Madagascar operations.

Revenue

Rs 2,515M
2023

Rs 2,440M
2022

Cluster PAT

Rs 183M
2023

Rs 165M
2022

The cluster's projected activities for 2024 are expected to align with the country's overall landscape, with significant infrastructure and social projects anticipated during the year.

Dominique Billon,
Kolos Cement Ltd, General Manager

Bernard Lan
Gamma Materials Ltd, General Manager

Vishen Gopalla
Kolos Cement Ltd, Deputy General Manager

Irshad Tarsoo
Gamma Materials Ltd, Head of Finance

Chaveesh Gunesie
Kolos Cement Ltd, Head of Finance

CONTRACTING CLUSTER

FY2023 Contribution to Group Performance (%)

- Revenue: 39%
- Profit after tax: 24%
- Net operating assets: 3%

Key Inputs

- Skilled labour (engineers, architects, construction workers)
- Construction materials (concrete, steel, wood, imported bitumen)
- Equipment and machinery (excavators, cranes, tools)
- Permits and regulatory approvals
- Project management and planning expertise

Key Outputs

- Completed construction projects (residential, commercial, infrastructure)
- Quality of construction and adherence to safety standards
- Environmental impact assessments and sustainability practices
- Employment generation and workforce development
- Stakeholder engagement and community relations

Key Revenue Drivers

- Contract awards and project bids
- Revenue from completed projects (construction fees, milestones)
- Innovation in construction methods and technologies
- Construction projects in the country – including private residences, commercial developments and public infrastructure initiatives

Overall Performance & Outlook

The significant increase in revenue by 57% to Rs 2,615M is attributable to sizeable projects undertaken and delivered during the year. The 2023 PAT includes a reversal of debtors provision, which was recorded in 2022. Gamma Construction Ltd is positioned as one of the major players in the contracting division in Mauritius.

Despite the influx of many small competitors putting pressure on the margins in this sector, Gamma Construction remains positioned as a top contractor in Mauritius, with several projects secured in this year's pipeline.

Revenue

Rs 2,615M
2023

Rs 1,612M
2022

Cluster PAT

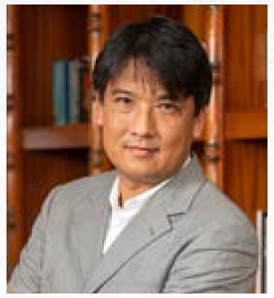
Rs 106M
2023

Rs 20M
2022

We have proven ourselves to be a reliable partner for our clients and consistently deliver quality projects on time.

Shailesh Beejadarsing
Gamma Construction Ltd,
CEO

Ravi Gutty
Gamma Construction Ltd,
Deputy CEO



Jean Paul Yan
Gamma Construction Ltd,
Chief Financial Officer

LOTTERY & GAMING TECHNOLOGY CLUSTER

FY2023 Contribution to Group Performance (%)

- Revenue: 23%
- Profit after tax: 37%
- Net operating assets: 8%

Key Inputs

- Gaming licenses and regulatory compliance
- Technology infrastructure (online platforms, gaming systems)
- Skilled workforce (game developers, customer support)
- Marketing and advertising campaigns
- Responsible gaming initiatives and player protection programmes

Key Outputs

- Lottery ticket sales and gaming revenue
- Player engagement and participation rates
- Prizes and payouts to winners
- Contribution to social causes and public projects (lottery funds)
- Regulatory reporting and transparency

Key Revenue Drivers

- Ticket sales and gaming transactions
- Partnerships with retailers and online platforms
- Innovation in gaming products and services
- Disposable income of population

Overall Performance & Outlook

Increase in revenue by 3% to Rs 1,520M attributable to the re-design of the 'Loterie Vert' and addition of the 'Loto Plus' games. Revenue was negatively impacted by the fall in number of big jackpot hits in 2023.

Lottotech Ltd is further looking to expand its current product portfolio to enhance customer experience with new games planned in 2024.

The Joint Venture, LudWin, which provides gaming technology services to clients in African countries, achieved a turnaround in results this year as the business grew in new markets.

LudWin is continuing its efforts to expand in new African markets.

Revenue

Rs 1,520M
2023

Rs 1,479M
2022

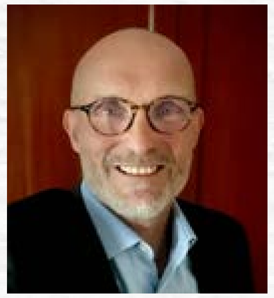
Cluster PAT

Rs 167M
2023

Rs 151M
2022

Locally, Lottotech is looking to expand its current product portfolio, and LudWin has solidified its position as a key player in the gaming technology sector with a long-term potential of scaling up in African markets.

Moorghen Veeramootoo
Lottotech Ltd, Chief Executive Officer



Christophe Caye
LudWin Group SAS, Président & CEO

Shaun Kim Tiam Fook Chong
Lottotech Ltd, Deputy Chief Executive Officer

PROPERTY CLUSTER

FY2023 Contribution to Group Performance (%)

- Revenue: 1%
- Profit after tax: 2%
- Net operating assets: 39%

Key Inputs

- Land resources and permits for development
- Skilled workforce (architects, engineers, construction workers)
- Sustainable building materials and technologies
- Infrastructure development (roads, utilities, transportation)
- Environmental impact assessments and regulatory approvals

Key Outputs

- Completed real estate developments (residential, commercial, tourism)
- Environmental sustainability initiatives (green building practices, waste management)
- Community engagement and social impact assessments
- Employment generation and local economic development

Key Revenue Drivers

- Sale of developed properties (real estate sales)
- Rental income from leased properties
- Brand reputation and investor confidence

Overall Performance & Outlook

The increased revenue to Rs 31M is due to achievement of 100% occupancy rate for our building in Ebène during the year. Last year included a first time fair value gain of Rs 138M on our beachfront property. PAT was Rs 7M this year.

The Group holds a considerable amount of investment properties on its Balance Sheet. This division should see developments in 2024 as advanced feasibility studies are being carried out to develop commercial and residential properties.

Revenue

Rs 31M
2023

Rs 7M
2022

Cluster PAT

Rs 7M
2023

Rs 114M
2022

Our focus remains on executing key real estate projects to meet the evolving needs of our stakeholders.

Faatima Salehmohamed Seetal
Gamma Civic Ltd, Property Development Manager

HOSPITALITY CLUSTER

FY2023 Contribution to Group Performance (%)

- Share of (loss) of associate to Profit after tax: (5)%
- Share of net assets of associate: 7%

Key Inputs

- Skilled workforce (hospitality professionals)
- Raw materials and supplies (food, beverages, linens, amenities)
- Capital investments (property, facilities, equipment)
- Customer feedback and satisfaction data
- Marketing and promotional efforts

Key Outputs

- Guest experiences and satisfaction levels
- Quality of services provided (dining, accommodation, amenities)
- Environmental impact (waste management, energy usage)
- Employee engagement and satisfaction
- Community engagement and contributions

Key Revenue Drivers

- Flight availability
- Room occupancy rates
- Average daily room rate (ADR)
- Food and beverage sales
- Event bookings and conference facilities
- Spa and leisure services

Overall Performance & Outlook

The Hilton hotel was closed for renovation for six months, during which management effectively contained operational expenses. This translated into a share of loss of Rs 23m this year compared to share of profit of Rs 12M last year. The hotel performed well in the last 2 months following its re-opening.

Cluster PAT

Loss

Rs 23M

2023

Profit Rs 12M

2022

Hilton's beachfront 5-star hotel was recently renovated, offering enhanced luxurious accommodations and exceptional amenities to enhance the guest experience

Jacques Brune
Morning Light Co Ltd (Hilton Mauritius Resort & Spa), General Manager

Bipin Sobnack
Morning Light Co. Ltd (Hilton Mauritius Resort & Spa), Finance Manager

FINANCIAL SERVICES CLUSTER

FY2023 Contribution to Group Performance (%)

- Share of profit of associate to Profit after tax: 22%
- Share of net assets of associate: 7%

Key Inputs

- Skilled workforce
- Relationships with insurers and re-insurers
- Regulatory compliance and legal expertise
- Technology infrastructure

Key Outputs

- Reinsurance placements and negotiations
- Risk assessment and underwriting support
- Market insights and intelligence reports
- Client satisfaction and relationship management
- Compliance and governance reporting

Key Revenue Drivers

- Premiums from reinsurance placements
- Commission and fees from brokerage services
- Growth in client base and market share
- Expansion into new African markets
- Innovation in reinsurance products and solutions

Overall Performance & Outlook

Jasiri Investment Ltd group performed better than last year due to expansion of the business. The group's share of profit increase by 9% to Rs 97M.

The business is expected to grow further as it expands its footprint in Africa.

Cluster PAT

Rs 97M
2023

Rs 89M
2022

Jasiri Group remains committed to becoming the trusted reinsurance broker to all its partner clients and reinsurers.

04

Corporate Governance & Statutory Disclosures

Board of Directors

TOMMY AH TECK

Executive Chairman

Appointed: 28 Oct 1988
Executive Chairman: Apr 2020
Age: 62

Skills and expertise:

- Managing Director of Gamma from 1987, until his appointment as Group CEO in 2011.
- Since 2015, he became a non-executive director of the Board, and Vice Chairman of the Company
- On the demise of the late Carl Ah Teck, he was appointed as the Executive Chairman

Qualifications:

- BSC (Hons) Engineering
- MPhil Mechanical Engineering

Committees:

- Corporate Governance Committee

Other listed directorship:

- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

PATRICE AH TECK

Vice-Chairman & Non-Executive Director

Appointed: 29 Dec 2000
Vice Chairman: Aug 2020
Age: 57

Skills and expertise:

- Joined Gamma Group in 1993, and was appointed as Sales and Marketing Director in 2000
- Since 2015, he is no longer an executive director, and is a member of the Board in a non-executive capacity
- Appointed as Vice Chairman of the Company in Aug 2020

Qualifications:

- BA (Hons) Accounting & Finance

Committees:

- Corporate Governance Committee

Other listed directorship:

- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

PAUL HALPIN

Lead Independent Director

Appointed:17 June 2014
Age: 65

Skills and expertise:

- Deep understanding of Gamma Group applying considerable commercial and strategic acumen
- Significant current international experience as a Non-Executive Director and board-level advisor
- In-depth experience in Corporate Governance, International Business, Corporate Transactions, Strategy Development and Risk Management
- Former Partner at PwC Johannesburg, London and Dublin
- Holds Non Executive Directorships in FinTech, construction, lottery, real estate, private equity and TravelTech sectors

Qualifications:

- B.Comm FCA
- Fellow of the Institute of Chartered Accountants in Ireland

Committees:

- Audit & Risk Committee (Chairman)

Other listed directorships:

- Lottotech Ltd until 23 June 2023
- Kolos Cement Ltd
- MakeMyTrip Ltd (Nasdaq)

Citizen of Ireland and Resident of Mauritius

BOON HUI CHAN

Independent Non-Executive Director

Appointed: 17 Jun 2014
Age: 56

Skills and expertise:

- Founder and managing director of Chancery Capital, a boutique private equity & corporate advisory practice
- Over 18 years of investment banking experience with OCBC, BNP Paribas, and Rothschild Group in Singapore and New York

Qualifications:

- MA (Hons) Law
- Chartered Financial Analyst

Committees:

- Audit & Risk Committee
- Corporate Governance Committee

Other listed directorship:

- JCY International Berhad (Malaysia)
- Hiap Hoe Ltd (Singapore)

Citizen and Resident of Singapore

CHRISTIAN WIKLUND

Independent Non-Executive Director

Appointed: 3 Jan 2024
Age: 48

Skills and expertise:

- Currently Managing Director and Founding Partner of Flamingo Capital Partners, an Africa-focused investment banking advisory firm.
- Investment banker with more than 20 years of experience.
- Worked in markets across Africa, Europe and Middle East at Morgan Stanley, Goldman Sachs and Standard Chartered Bank where he was Managing Director and Regional Head of M&A for Africa & Middle East

Qualifications:

- MSc Business and Economics from Stockholm School of Economics

Committees:

- Audit & Risk Committee

Other listed directorship:

- None

Citizen and Resident of Sweden

MAURICE LAM PAK NG

Independent Non-Executive Director

Appointed: 17 June 2014
Age: 77

Skills and expertise:

- Founding partner of Stewardship Consulting Pte. Ltd., Singapore, boutique consulting firm advising Enterprising Families in Family Governance and Strategy.
- Mentor /advisor to entrepreneurs in technology start-ups.
- Extensive prior work experience in investment banking advising clients in financial strategy, investment management, treasury and risk management.

Qualifications:

- MBA

Committees:

- Audit & Risk Committee
- Corporate Governance Committee (Chairman)

Other listed directorship:

- None

Citizen of Mauritius and Resident of Singapore

Board of Directors Continued

JEAN-CLAUDE LAM HUNG
Non-Executive Director

Appointed: 1 Jan 2017
Age: 49

Skills and expertise:

- Currently Chief Executive of CG Re (Africa) Ltd, a reinsurance broker
- Held the position of Group CFO of Gamma Civic Ltd between 2012-2015
- Prior to Gamma, he worked in London, qualifying as a Chartered Accountant with EY, and assumed senior manager and director roles at Deloitte and BDO respectively. In 2009, appointed as partner at Mazars LLP

Qualifications:

- BA (Hons) Business Studies
- Fellow of the Institute of Chartered Accountants in England and Wales

Committees:

- Audit & Risk Committee

Other listed directorship:

- Lottotech Ltd until 23 June 2023

Citizen and Resident of Mauritius

MARIE CLAIRE CHONG AH-YAN
Non-Executive Director

Appointed: 27 Sep 2012
Age: 63

Skills and expertise:

- Head of HR at Gamma Group since 2000, and appointed as HR Director of Gamma Civic Ltd in 2012
- Co-Trustee of Gamma Foundation, which coordinates all CSR projects for the Group
- With the FT NED Diploma, she has an in-depth understanding of board's effectiveness and acquired the required soft skills and boardroom behaviour

Qualifications:

- Bachelor degree in Arts
- Bachelor degree in Human Resources Management
- FT Non-Executive Director Diploma

Committees:

- Corporate Governance Committee

Other listed directorship:

- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

TWALHA DHUNNOO
Executive Director, Deputy CEO and CIO

Appointed: 26 May 2017
Age: 48

Skills and expertise:

- Promoted to Deputy CEO in September 2023, and took up a new strategic role as Chief Investment Officer of Gamma Civic Ltd
- Appointed as Group CFO and Executive Director of Gamma Civic Ltd in 2017.
- Prior to Gamma, he worked in London with Ernst & Young, Mellon Bank and Deutsche Bank between 1998 and 2007.
- Between 2007 and 2017, he was with Gatehouse Bank Plc, an authorised and regulated UK bank; initially as Head of Finance, Operations & IT and in 2011, promoted to CFO and Executive Director.

Qualifications:

- MEng Electrical and Information Sciences
- Fellow of the Institute of Chartered Accountants in England and Wales

Committees:

- None

Other listed directorship:

- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

JASON AH TECK
Executive Director

Appointed: 20 Apr 2020
Age: 30

Skills and expertise:

- Joined Gamma as Corporate Affairs Executive in 2019
- Prior to Gamma, he was a strategy consultant at KPMG's Global Strategy in London, where he focussed on growth strategy and data analytics for multinational corporations

Qualifications:

- BEng Materials Engineering with Management
- Masters in Management

Committees:

- None

Other listed directorship:

- Lottotech Ltd
- Kolos Cement Ltd
- Morning Light Co. Ltd

Citizen and Resident of Mauritius

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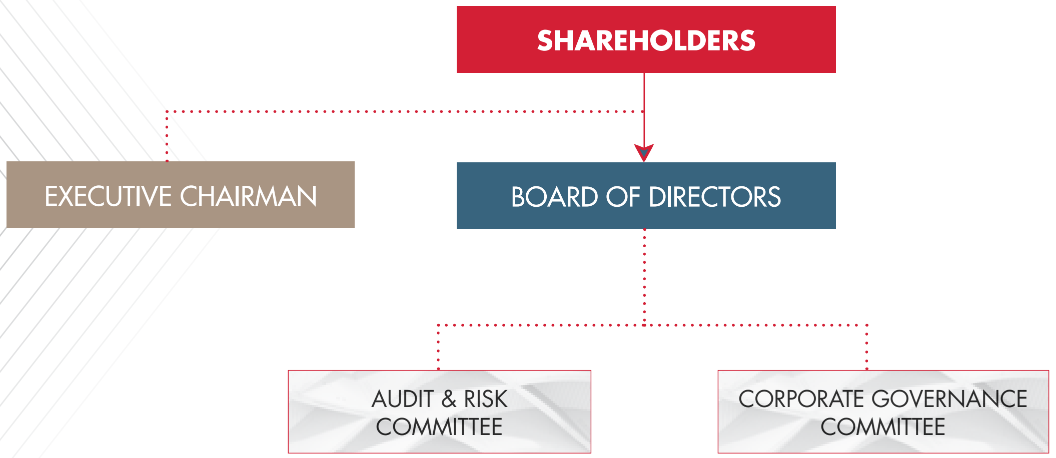
Corporate Governance Report

INTRODUCTION

The Board of Directors (the "Board") is of the firm belief that good governance remains at the heart of the Company and the Group. It is the Board's responsibility to ensure that the Company applies the eight principles as laid out in the National Code of Corporate Governance 2016 (the "Code"), as far as reasonable.

PRINCIPLE 1: GOVERNANCE STRUCTURE

Board Structure



Board of Directors

The Company's Constitution provides that the Board shall consist of not less than two and more than twelve Directors. Presently the Board is composed of nine Directors, made up of three Independent Non-Executive Directors, three Non-Executive Directors and three Executive Directors.

The composition of the Board is in line with the Code, having the appropriate mix of Executive, Non-Executive and Independent Directors. Furthermore, the Board has the required mix in terms of diversity, skills, experience, independence and knowledge to play its role fully in serving the best interests of all stakeholders.

Committees of the Board

Committees of the Board are set up in order to assist the Board in efficient decision-making, with no decision-making powers. The Committees can only make recommendations to the Board.

Gamma Civic Ltd has two permanent Committees, namely the Audit and Risk Committee and the Corporate Governance Committee.

Governance Documents

The Company has two main internal corporate documents which have been duly approved by the Board and the shareholders, namely the Company's Constitution and the Gamma Charter (the "Charter").

The Company's Constitution

The Company's Constitution is in line with the Companies Act 2001 (as amended) and has no material clauses requiring disclosure.

A copy of the constitution is available for inspection by the shareholders upon request made to the Company Secretary.

The Gamma Charter

The Gamma Charter establishes and stipulates a governance framework, which include the rules, regulations, organization and governance principles that must permeate all levels of the Gamma Group in order to:

Value Rights

Preserve the rights of the shareholders of Gamma Civic Ltd and ensure that Gamma Civic Ltd has sound governance practices throughout the organisation;

Effective Oversight

Enable the Board of Gamma Civic Ltd to have effective oversight of the management of its Group Companies;

Respective Roles & Responsibilities

Clarify the respective roles and responsibilities of Board members and senior executives of the Gamma Group, charged with the executive management of the Gamma Group of companies; and

Protocols & Policies

Establish protocols and policies to promote compliance and consistency within an overall Gamma Group framework of policies and strategies.

The Charter was reviewed when the new Code of Corporate Governance was implemented. The Charter is reviewed every 2 years, or as and when required subject to new legislations or Board decisions. The last review was performed in 2023 and recommendations will be made to the Corporate Governance Committee and to the Board thereon. A copy of the Charter is available for inspection by the shareholders upon request made to the Company Secretary.

Key Positions

The Board of the Company has the following key positions, namely:

- The Executive Chairman;
- Chairman of Board Committees; and
- Lead Independent Director.

The Executive Chairman

The Company has an Executive Chairman who has been duly appointed by the shareholders at the Annual Meeting. He is eligible to stand for his re-appointment at the next Annual Meeting.

The duties and responsibilities of the Executive Chairman are as follows:

Executive Responsibilities

i. Drives management in exploring business development opportunities;
ii. Supervises management in the development and implementation of the Company's strategy in line with the Board's directives;
iii. Ensures the implementation of policies and strategies as resolved by the Board;
iv. Oversees the management of the Company's business and operations;
v. Acts as the direct reporting line for the Group CFO;

Board's & Shareholders' Responsibilities

i. Acts as the direct reporting line for the company secretary;
ii. Provides leadership to the Board and ensure its effectiveness;
iii. Sets the Board's and shareholders' meetings agenda;
iv. Ensures effective links between the shareholders, the Board and management.

Furthermore, it is part of the Executive Chairman's responsibility to ensure that new Directors are properly introduced to the businesses of the Company, with the assistance of the Company Secretary.

In April 2020, the Board appointed Mr Tommy Ah Teck as the Company's Executive Chairman and he has been re-appointed at subsequent Annual Meetings.

Chairman of Board Committees

The Chairman of the Board Committees, namely the Audit and Risk Committee and the Corporate Governance Committee, are responsible:

- For chairing their respective Committees and for ensuring that the Committees deliver as per their respective terms of reference, which are detailed in the Gamma Charter;
- To assist the Board in fulfilling its duties and responsibilities.

Mr Paul Halpin is the Chairman of the Audit and Risk Committee and Mr Lim Sit Chen Lam Pak Ng, also known as Maurice Lam, is the Chairman of the Corporate Governance Committee.

Lead Independent Director

In line with the Gamma Charter, the Board approved the appointment of a lead independent director, also referred to as senior independent director.

Essentially, the role of a lead independent is:

- To work closely with the Chairman in order to act as a sounding board and provide support;
- To act as an intermediary for other directors as and when necessary;
- To remain available to shareholders and other non-executives to address any concerns.

Mr Paul Halpin is the Lead Independent Director for the year under review.

PRINCIPLE 2: STRUCTURE OF THE BOARD & ITS COMMITTEES

The Board

Extract of Gamma Charter

"The shareholders of Gamma Civic Ltd by ordinary resolution shall determine the size of the Board of Gamma Civic Ltd and hold the ultimate responsibility of electing the persons to act as Directors on the Board.

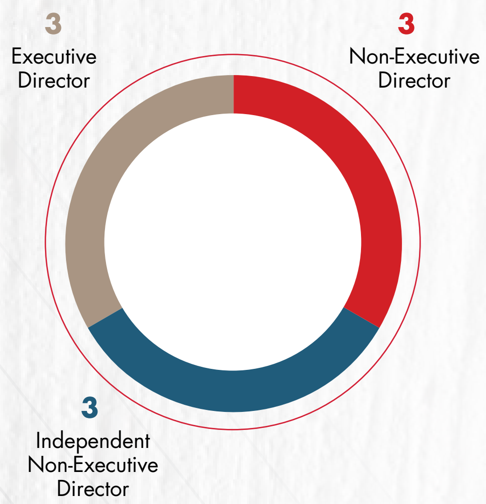
The Board of Directors of Gamma Civic Ltd shall comprise of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors in view of collectively representing a set of skills, competence and experience to adequately fulfil its responsibilities. It shall be a pre-requirement that at least one Independent Non-Executive Director appointed to the Board has the necessary skill and experience in financial matters to ensure that there is an independent judgement on issues of strategy, performance and resources, which are brought before the Board."

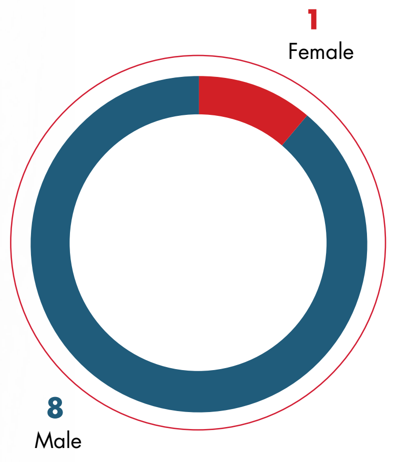
For the period under review, the Company had a unitary Board structure composed of nine Directors.

Profiles of Directors, including details of their appointments in listed companies, have been disclosed in the section "Leadership – Board of Directors" of the Annual Report.

Balance in the Composition of the Board

The shareholders have appointed a Board of Directors which is currently composed of:





Powers of the Board

The role of the Board is first and foremost to direct, govern and control the Company in order to safeguard and enhance its total value and return. This includes overseeing directly or indirectly the company's executive management.

In addition, the Board has the following necessary powers:

- To direct and supervise the management and affairs of the Company for creating and delivering sustainable value;
- To set the strategic direction within a framework of rewards, incentives and controls;
- To ensure that management strikes an appropriate balance between delivering short- and medium-term objectives and promoting long-term growth;
- To ensure that management maintains a system of internal controls and procedures, which provide assurance of effective and efficient operations, internal financial controls and, compliance with existing laws and regulations;
- To act as the decision-making body for all matters of significance to the Company because of their strategic, financial and reputational implications and/or consequences;
- To ensure that the corporate governance system is effectively implemented by management in terms of processes, mechanisms, policies, laws and customs.

Board Meetings - Focus Areas 2023

The Board held quarterly statutory meetings to review the Company's unaudited and audited financial statements, in compliance with the provisions of the Companies Act 2001, the Listing Rules and the Gamma Charter.

Matters discussed by the Board included:

- Strategic position assessment
- Five-year strategic plan, including
  - Value ambition
  - Strategic initiatives with risk assessment
  - Capex plan with financing options
  - Key management agenda items for the next three years based on strategic initiatives
- Budget

Corporate Governance Report Continued

Attendance at Board meetings

For the period under review, the Board has met seven times.

Directors	Attendance
Tommy Ah Teck	7/7
Boon Hui Chan	7/7
Patrice Ah Teck	7/7
Jason Ah Teck	7/7
Jean-Claude Lam Hung	6/7
Maurice Lam Pak Ng	7/7
Paul Halpin	7/7
Marie Claire Chong Ah-Yan	7/7
Twalha Dhunnoo	7/7

Committees of the Board

Audit and Risk Committee

Composition & Attendance

During the year under review, the Audit and Risk Committee met four times. The members of the Audit and Risk Committee are as follows:

Directors	Attendance
Paul Halpin (Chairman)	4/4
Boon Hui Chan	4/4
Maurice Lam Pak Ng	4/4
Jean-Claude Lam Hung	3/4

Roles & Responsibilities

The roles and responsibilities of the Audit and Risk Committee are set out in the Gamma Charter. In particular, the Audit and Risk Committee monitors and oversees:

- The Company's financial accounting and reporting practices including:
  - The integrity of financial statements and of internal controls over financial reporting;
  - Appropriateness of accounting policies or practices;
  - Application of new accounting standards;
  - The statement of Directors' responsibilities in relation to the financial statements;
- The system of internal controls and the effectiveness of the internal control framework;
- Compliance with financial reporting standards and with Stock Exchange and legislative requirements relating to financial reporting;
- Internal and external audits:
  - Adequacy and scope of the audit functions;
  - Auditor's qualifications, independence, effectiveness and appointment;
  - Performance review of the auditors;
  - Review and approval of the audit plans for the following year; and
  - Detailed review of deliverables from internal and external auditors;
- The company's information technology environment;
- Monitoring and assessing the Group's risk management framework:
  - Receives regular updates on the Group's risk management strategies, mitigation and action plans;
  - Quarterly formal risk assessment of key business risks and of the company's risk appetite; and
- Review of any litigation.

The Chairman of the Audit and Risk Committee reports quarterly to the Board of Directors on matters related to financial reporting, risk management and the Company's internal control systems.

Risk Review of 2023

For the year under review, the Company and the Group continued to monitor and manage the heightened risks which have resulted from the COVID-19 pandemic as well as those resulting from current geopolitical tensions in different parts of the world. The risk focus areas of the quarterly discussion with the management team during 2023 included:

- Continuing integration of the Risk Management Framework into strategic planning and value-creation activities;
- Ongoing refinement of the Risk Management Framework in the context of macroeconomic trends;
- The role of risk management in building resilience;
- Scenario planning and risk anticipation across the Group ;
- Investment risk appetite;
- People risk management, to protect our people and their ability to perform effectively;
- Liquidity risk management
- Cyber-security risk

Further information can be found in the Section "Principle 5: Risk Governance and Internal Control".

Corporate Governance Committee

The Corporate Governance Committee acts as a mechanism for making recommendations to the Board on all corporate governance matters relevant to the Company to ensure that the Board remains effective and complies with the Code and prevailing corporate governance principles.

The Committee also fulfils the remuneration and nomination function. The remuneration philosophy is geared towards rewarding efforts and merits for individual and joint contribution to the Company's results, whilst also having due regards to market conditions, the interest of the shareholders and the financial well-being of the Company.

Under the aegis of the Corporate Governance Committee and the Chairman of the Board, the Board members have carried out their appraisal for the year under consideration. The objective of the appraisal is to ensure that the Board and the Directors are fully performing as defined in the Gamma Charter, to meet the expectation of all stakeholders.

Composition & Attendance

During the year under review, the Corporate Governance Committee met twice. The members of the Corporate Governance Committee are as follows:

Directors	Attendance
Maurice Lam Pak Ng (Chairman)	2/2
Boon Hui Chan	2/2
Tommy Ah Teck	2/2
Marie Claire Chong Ah-Yan	2/2
Patrice Ah Teck	2/2

Roles & Responsibilities

The roles and responsibilities of the Corporate Governance Committee are set out in the Gamma Charter.

Corporate Governance

The Committee makes recommendations to the Board on all corporate governance matters, including ensuring that the Company remains compliant to prevailing corporate governance principles and reporting requirements, in line with the Gamma Charter and the Code.

Remuneration

The Committee reviews, assesses and makes recommendations with respect to matters pertaining to the remuneration policy of the Company, ensuring that it remains aligned to prevailing market practices.

In particular, the Corporate Governance Committee is responsible for and has oversight on:

- The preparation of any proposal to the Annual Meeting on matters pertaining to the remuneration of Board members;
- The appointment, remuneration, performance and appraisals of the Directors and senior management team;
- The review of the Company's remuneration system and policies, including performance assessment processes and annual compensation;
- Determining and recommending Committee Members' fees and remuneration to the Board; and
- Liaising with the Board in relation to the preparation of the Committee's report to shareholders with respect to remuneration, as may be required.

Strategic HR Issues

The Corporate Governance Committee would periodically review and assess the Group HR policies. The Committee would discuss with the Executive Chairman and HR team on strategic HR issues, including:

- Employee retention, motivation and commitment;
- Significant employee relations matters;
- The availability of talent for senior roles;
- Results of any group employee engagement survey;
- Progress in equality and diversity in the workplace; and
- The Gamma Group's performance against agreed employee metrics.

Employee Benefit Schemes

The Corporate Governance Committee reviews the Company's policy relating to employee benefits.

Nomination of Directors

The Corporate Governance Committee assists the Board in the nomination of Directors by:

- Identifying individuals qualified to become Board members;
- Recommending Directors to be elected by the Board to fill any vacancies;
- Recommending the appointment and succession of Non-Executive Directors; and
- Overseeing Board induction processes.

Succession Planning

The Corporate Governance Committee oversees the succession planning proposals brought by management to the Committee for senior management and key employees with the potential to move into other functional or leadership roles and make recommendations to the Board, at regular intervals, and at least once a year.

Composition of Board

The Corporate Governance Committee prepares proposals to the Annual Meeting for the appointment of Board members.

Re-election and Renewal of Serving Non-Executive Directors

The Corporate Governance Committee periodically reviews the time commitment required of the Non-Executive Directors and makes recommendations to the Board concerning:

- Re-election by shareholders of Directors in accordance with the Code;
- Renewal of terms of office of Non-Executive Directors, based on a review of each Director's performance; and
- Any matters relating to the continuation in any office of any Director at any time.

Board Effectiveness and Performance

The Corporate Governance Committee:

- Considers and sets the criteria for the objective and rigorous performance review of each Non-Executive Director, the Board and each Committee of the Board;
- Conducts an annual performance evaluation of the effectiveness of the Board, and of each Committee of the Board, and the contribution of each Director;
- Ensures that the recommendations and conclusions arising out of the annual effectiveness review are reported to the Board;
- Agrees on an action plan to address results of the Board effectiveness review and review progress against the plan; and
- Considers the effectiveness of each Board evaluation carried out.

Corporate Governance Review of 2023

The focus areas of the Corporate Governance Committee during the year were as follows:

- Reporting on corporate governance matters;
- Nomination;
- Succession planning;
- Remuneration & reward;
- Attracting new talent and retention of our existing resources, in the context of a dynamic employment market in Mauritius with high employee turnover in most sectors.

COMPANY SECRETARY

The role and responsibilities of the company secretary are described in the Gamma Charter and are in line with the provisions of the Companies Act 2001. These include the following:

- To provide the Board with guidance as to its duties and responsibilities, and powers;
- To inform the Board of all legislations on functions and operations relevant to or affecting meetings of shareholders and directors and reporting at any meetings as may be reasonably required from time to time and the filing of any documents required of Gamma Civic Ltd and any failure to comply with such legislation;
- To ensure that minutes of all meetings of shareholders and Directors are duly recorded and that all statutory registers are properly maintained;
- To certify that the company's annual financial statements have been filed with the Registrar of Companies as required under the Companies Act 2001; and
- To ensure that a copy of the company's annual financial statements and, where applicable, the annual reports are sent by email or post to every person entitled to such statements or reports in terms of the Companies Act 2001.

Gamma Corporate Services Ltd, headed by Mrs Fahmida Jeerooburkhan, is the company secretary of Gamma Civic Ltd.

PRINCIPLE 3: DIRECTORS APPOINTMENT PROCEDURES

Selection, Appointment & Re-Election of Directors

1 Identification & Selection

The Corporate Governance Committee, having knowledge of the skills required to add value to the affairs of the Board, is responsible for the identification and selection of directors.

2 Recommendation

The Corporate Governance Committee under its nomination function, is responsible for making a recommendation to the Board, which in turn would be presented to the shareholders at the Company's Annual Meeting. In the cases of casual vacancy, the Board may appoint Directors who shall hold office only until the next Annual Meeting and shall then be eligible for re-election.

3 Appointment

Upon their appointment, all Directors are provided with a letter of appointment which stipulates the terms and conditions of such appointment. The Directors are also given a Gamma Charter which serves as a reference tool for all members of the Board and are referred to the Company's constitution, the Companies Act 2001 and the Listing Rules of the Stock Exchange of Mauritius.

4 Re-Election

An appointed director shall hold office only until the next following Annual Meeting of shareholders, and shall then be eligible for re-election

Succession planning

An important responsibility of the Board of Directors is to ensure that the Company has an appropriate succession plan in place for Directors, senior management and key officers. This responsibility has been delegated to the Corporate Governance Committee under its Nomination function.

PRINCIPLE 4: DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

Directors have:

- Common law fiduciary obligations to the Company and Group to act in good faith and to the best interest of the Company;
- Obligations imposed by the Companies Act 2001, Constitution of Gamma Civic Ltd; and the Gamma Charter.

They have a duty to exercise a degree of care, skill and diligence in fulfilling of their function as Board members.

Induction

Upon appointment, Directors are issued a letter of appointment stipulating the terms and conditions of the directorship, a copy of the Company's Constitution, and the Gamma Charter.

The corporate presentation of the Company and Group is effected by the Executive Chairman and includes meetings and site visits for new Directors to get acquainted with the businesses and operations of the Group.

Continuous Professional Development

The Directors are encouraged to remain updated with the latest professional practices, changes and trends in the Company's business, market, economic, political, social and legal environment in general.

Board Evaluation

The Board has established an internal process for performance evaluation of the Board, Board Committees and Directors, including the Chairman of the Company. The process is managed by the Corporate Governance Committee and the Company Secretary.

The Board has adopted a "Board, Self & Peer Evaluation" questionnaire, whereby the Directors would assess their individual performance, that of their respective peers and the Board. This exercise is carried out internally and in full confidentiality.

In 2021, no "Board, Self & Peer Evaluation" was carried out given the very good overall rating obtained during the 2020 exercise, and there being no change on the Board's composition.

The "Board, Self & Peer Evaluation" exercise was carried out in 2022 and an overall good rating was obtained. For the year 2023, there was no change in the Board's composition following the annual shareholders' meeting and the Board, Self & Peer Evaluation exercise was carried out for the year 2023 to ensure that the Board remains effective and efficient, the Directors continue to contribute positively to Board's discussion and are fully committed to the Company, the employees and shareholders.

The exercise is carried out independently and in all confidentiality by the Head of Gamma Corporate Services Ltd, as approved by the Board.

The focus of the Board is to ensure that at all times it continues to be effective and efficient, that the Directors continues to contribute positively to Board's discussion and are fully committed to the Company, the employees and shareholders.

The Board is appointed for a period of one year and, all Directors stand for re-election at each Annual Meeting.

Remuneration Policy

The Company remains focused on its long-term philosophy as described in the Group HR Manual, which is to attract and retain leaders with the objective of delivering business priorities within a framework that is aligned with the interest of the Company.

Directors' fees paid to Non-Executive Directors are made of three components, namely retainer fees which represent an average of 39%, Board Committees attendance representing 4%, and special assignments/projects representing 57%.

Executive Directors received remuneration and benefits made of three components, namely basic salary which represents an average 55% of the remuneration, a performance bonus representing 18% of same, and the remaining 27% includes special assignment/projects.

For the period under review, remuneration and benefits received and receivable by the Directors from the Company and its subsidiaries were:

	From the Company *	From the Subsidiaries
	Rs	Rs
Directors of the Company		
Executive	54,327,691	16,799,984
Non-executive	44,286,599	23,437,965
Total	98,614,290	40,237,949

* remuneration to non-executive directors includes Rs 4.2M relating to prior years.

IT Management Policy

Information technology ("IT") is key to the Company and the Board is responsible for IT Governance and management of IT risks, through policies, procedures and processes which are regularly updated, monitored and safeguarded by having in place the appropriate tools and software.

There is an IT Management Policy included in the Gamma Charter which provides the principles and recommended practices to achieve the future strategic goals identified and approved by the Gamma Board. However, the implementation of tactical plans remains the responsibility of senior management of each entity within the Group.

A Group IT Platform has been instituted with monthly meetings to review and implement the IT Management Policy.

The following areas are covered:

- IT Projects
- IT Procurement
- IT Systems Incidents Management and Response
- Information Security Incidents Management and Response
- Change Management
- IT Policies alignment

In 2022, the Group has pursued the implementation of the ISO/IEC 27001 standard on Information Security Management for all operating companies. Lottotech Ltd, Kolos Cement Ltd and Gamma Materials Ltd have achieved the ISO/IEC 27001 certification.

Compliance and security are of the utmost importance for the Group, and the following areas were given due consideration:

- Information security;
- Business continuity;
- Implementation and post implementation approach;
- Support for group future expansion projects.

Access Rights to information through documents and applications are provided on a need basis. Users are provided access as per the business application owner instructions. The access rights are reviewed regularly.

The Company manages the security of information through state-of-the-art information management tools. Access is provided on compliant systems to defined security rules. Information is classified and managed as per defined policies. Encryption is applied on company devices and on company data as required. The policies are explained in the IT Management Policy and in the IT Usage policy.

A Group Human Resource Management System project was initiated in 2022 to provide employees with HR services through a digital platform. The new payroll system was successfully implemented in November 2023 and the implementation of the other modules of the HR management system is ongoing, with a planned completion for Q3 2024.

Directors' Interest and Dealings in the Company's Shares

As part of the Company's statutory quarterly reporting process to the Stock Exchange of Mauritius Ltd and the Financial Services Commission, the Company Secretary would request the Directors to confirm their shareholding and any dealings which they may have effected in the Company's shares, with reference to Code of Securities Transactions by Directors.

The Directors are thus fully aware of the principles of the Model of Code of Securities Transactions by Directors, as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

There are no share dealings by the Directors for the period under review.

Interests' Register, Conflicts of Interest and Related Party Transaction Policy

The Directors are fully aware of the responsibility of disclosure of any conflicts of interest in accordance with the laws and the Gamma Charter.

Declaration of Conflict of Interest at each Board Meeting

The Company Secretary holds an Interest Register in which declarations are made by Directors at each Board Meeting.

The first item of the agenda for all board meetings is for directors to declare if they have any conflict on any items which the Board will address for the business of the day. All Directors would sign a duly approved declaration of interest form, which forms part of the Board's proceedings. Furthermore, Directors who are conflicted are not allowed to vote on any matter in which he or she is interested.

Any related party transaction, if existing, would also be recorded in the said register, which is available for inspection upon request made to the Company Secretary.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

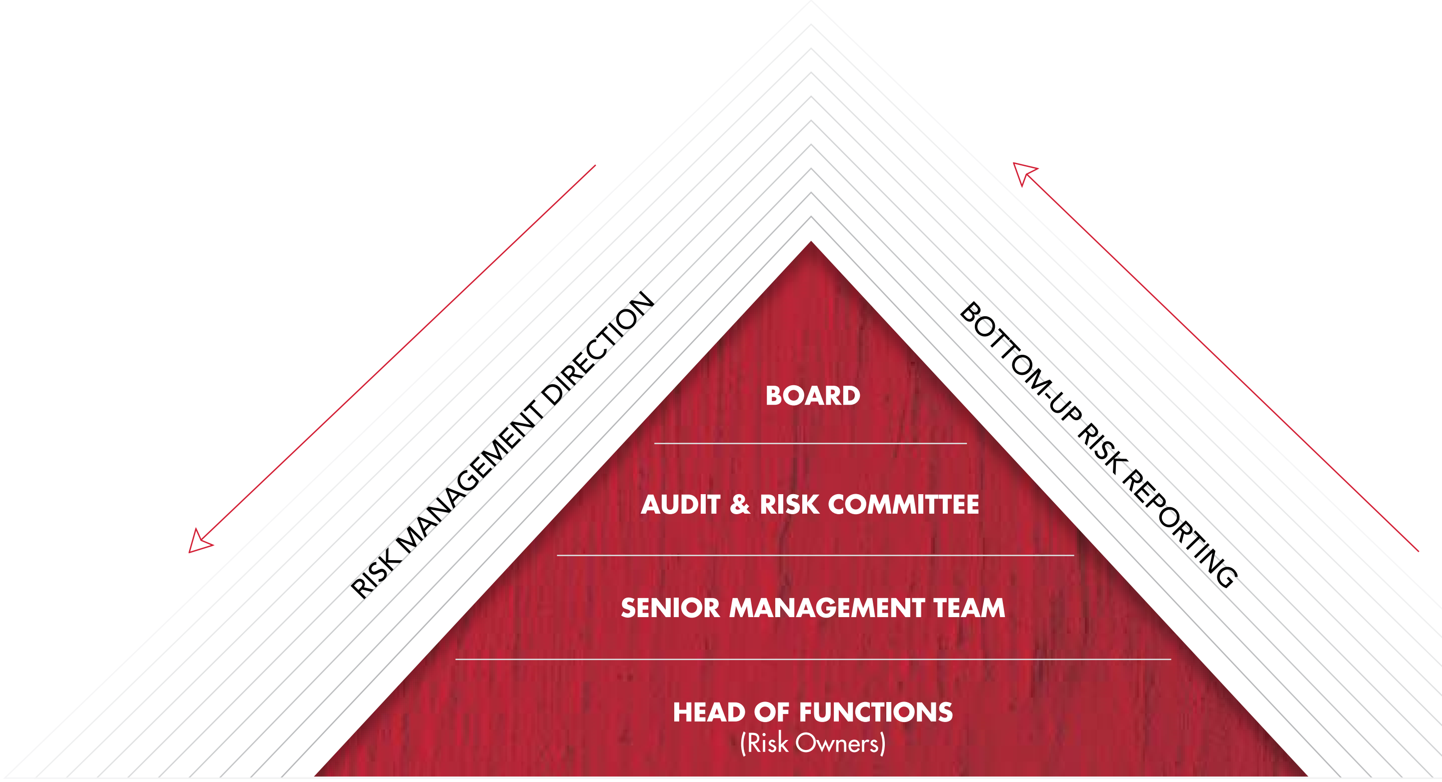
Internal Control & Risk and Compliance report

The Board has delegated to the Audit and Risk Committee, the responsibility of ensuring that the Company has a risk management framework to manage and mitigate key risks. Nevertheless, the Board is ultimately responsible for the risk management framework and the integration of risk management into opportunity identification and threat assessment.

Risk Management Framework

Effective risk management supports and strengthens our ability to deliver on our strategies and assures the continued success of our business. Our risk management framework enables us to respond to stresses and uncertainty, which are often complex and inter-connected, and gives us a foundation on which to build a performance and growth-oriented mindset across the Group. Understanding the complexities of risk enables us to pursue market opportunities by combining entrepreneurial endeavour with robust risk mitigation practices.

The Company's risk management framework, embedded across the Group, delivers a standardised system of identification, management and reporting of risk, and assures a structured, consistent dynamic approach to threats and opportunities in all our operations. It combines bottom-up risk reporting with oversight and input from Board, Audit and Risk Committee and Internal Audit. Clarity of risk ownership is a key strength across the group, supported by a robust governance structure.



Gamma's Top 10 Thematic Risks Embedded with our Strategy

Embedding risk management into our business processes, at all levels in the Group, creates an environment where Management takes a disciplined and focused approach to risk. Integration with strategy and performance agendas ensures a robust and effective risk environment, assisting in optimising the performance of the Company's and Group's businesses. The Company's risk appetite includes the following risks headings in order to define the key risk parameters within which strategic decision-making takes place and assisting with the Company's goals of disciplined and focused growth.

- Market risk

Management identifies and measures the risks arising from changes in the markets in which Gamma operates in, to ensure that the measures being taken are consistent with the strategies of the Group.

- Reputational risk

The risk of reputational damage to the Company's image resulting from negative perception and the information surrounding the industry in which the Company operates could adversely affect the business.

- Funding/liquidity risk

It is the current and prospective risk to earnings or net worth that arises if the Company encounters challenges in meeting its financial obligations.

- Credit risk

This risk arises from the possibility that a counterparty may fail to meet terms of any contract, resulting in financial loss to the Company.

- Business continuity risk

The risk relates to potential events that can disrupt or halt the Company's operations. These risks can be internal, such as system failures or human error, or external, such as natural disasters or cyberattacks to the business's information systems and information technology.

- Human capital risk

The human capital risk relates to employee behaviours which may impact the Company's operations when the human resources fail to meet operational, business resiliency and continuity goals. This also includes managing the unavailability of skilled labour in the market.

- Information security risk

Information security risk management is the process of managing risks associated with the use of information technology. It involves identifying, assessing, and treating risks to the confidentiality, integrity, and availability of an organization's assets.

- Investment risk

Gamma Civic Ltd, as an investment company identifies all potential risks associated to any new investment/project and design strategies to mitigate such risks.

- Sustainability risk

Sustainability risk management is a business strategy to align the profit goals with the Company's environmental, social and governance policies.

- Regulatory & compliance risk

This risk refers to losses which may occur should the Company not comply with relevant laws and regulations.

The identified risks are registered, rated and continuously monitored, so as to ensure that a comprehensive and robust system of risk management is implemented. It also ensures that a sound internal control system through procedures is in place so as to mitigate any of the risks related to the Company's businesses.

Whistle-Blowing Policy

The Company is committed to openness, accountability, transparency and highest standards of ethics. All employees and the Company's stakeholders are encouraged to report any incidents which they have reasonable grounds to believe may tantamount to an illegal act, cause harm and impact the reputation of the Company.

PRINCIPLE 6: REPORTING WITH INTEGRITY

Financial and Operational Performance

The Company's financial and operational performance is detailed in the Directors' Report.

Environment, Health & Safety

The Company continues to be committed to providing all employees of the Group with a safe and healthy working environment in line with the Occupational Safety and Health Act 2005 and other applicable legislative and regulatory frameworks.

Through its Health and Safety officers employed by the different Group companies, Gamma Civic Ltd ensures that the Group fulfils its legal obligations as an employer towards its employees. At the same time, the employees are informed of their responsibility as regards to safety and health, through continuous training and awareness on a safe working environment.

The Company has an Environmental Policy as contained in the Gamma Charter.

Extract of Gamma Charter

Gamma's policy is to:

- *Wholly support and comply with or exceed the requirements of current environmental legislation and codes of practice.*
- *Minimise waste and then reuse or recycle as much of it as possible.*
- *Minimise energy and water usage in our buildings, vehicles and processes in order to conserve supplies, and minimise our consumption of natural resources, especially where they are non-renewable.*
- *Operate and maintain company vehicles (where appropriate) with due regard to environmental issues as far as reasonably practical and encourage the use of alternative means of transport and car sharing as appropriate.*
- *Apply the principles of continuous improvement in respect of air, water, noise and light pollution from our premises and reduce any impacts from our operations on the environment and local community.*
- *As far as possible purchase products and services that do the least damage to the environment and encourage others to do the same.*
- *Assess the environmental impact of any new processes or products we intend to introduce in advance.*

Code of Conduct

The Company applies the Gamma Charter, which includes a Code of Conduct.

The Code of Conduct is based on the fundamental belief that business should be conducted in all honesty, fairness, ethical manner and legally. This commitment is endorsed by the Board and all employees, sharing the commitment to high moral, ethical and legal standards.

The Code of Conduct clearly sets out the Company's approach to:

- Conflicts of interest
- Dealings with suppliers
- Dealings with customers and potential customers
- Dealings with public officials
- Political activities and contributions
- Integrity of records and financial reports
- Proprietary information
- Discrimination and harassment

The Company does not tolerate any form of corruption and bribery. All directors, officers and employees of the Company and the Group must fully adhere to and comply with all applicable anti-bribery and anti-corruption laws.

The Gamma Group seeks to build and manage a sound relationship with governmental authorities on an arm's length basis and will not offer, pay, solicit or accept bribes in any form or shape in its dealings with the government, administration or the courts. The Company makes political donations at the time of general elections, in line with the provisions of the National Code of Corporate Governance (Charitable and Political Contributions) and the recommendations of the independent association Business Mauritius, with a view to further the Mauritius' democratic process, without expecting any reward in return and make full disclosure on the subject matter.

Corporate Social Responsibility ("CSR")

The Company and Group remain committed to being a responsible corporate citizen. All CSR activities are further detailed in the "Our Corporate Social Responsibility" section of the annual report.

PRINCIPLE 7: AUDIT

Directors' Responsibility

Directors are duly informed of their duties and responsibilities as provided under the Companies Act 2001, and their responsibility under the Listing Rules.

They are also conversant with the provisions of the Company's constitution and the Gamma Charter.

External Audit

The appointment of the Company's external auditors remains a reserved right of the shareholders, with a recommendation of the Board. Deloitte, the Company's external auditor for the year under review, was appointed in June 2023 at the Annual Shareholders Meeting, to hold office until the conclusion of the next Annual Meeting of Shareholders.

The Board has delegated to the Audit and Risk Committee the responsibility of reviewing the auditors' letter of engagement before the start of the audit work. The Committee will also monitor the independence of the external auditor and ensure that the auditors are not hindered in any manner whatsoever in the performance of their function.

The external auditors have direct access to the Audit and Risk Committee members and attend the Committee meetings. Once a year, the external auditors also meet with the Board to report on the external audit exercise and present their report to the Board.

Internal Audit

The internal audit function has been outsourced to KPMG, following a tender exercise. KPMG operates on a risk-based three-year internal audit plan, under the supervision of the Audit and Risk Committee.

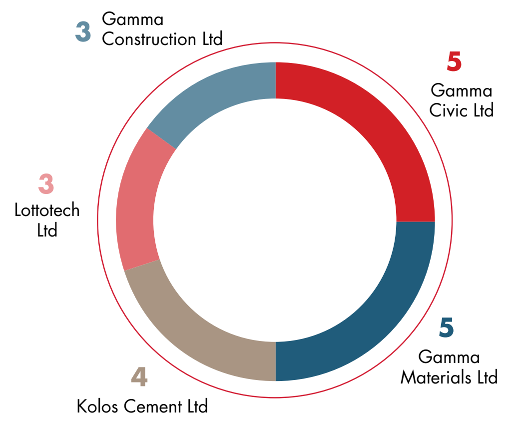
The duties of the internal audit are defined in the Gamma Charter and among others include the examination and evaluation of the adequacy and effectiveness of the Company's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities, in view of eliminating or reducing risks identified to an acceptable level, and the formulation of necessary recommendations.

The key areas to be covered by the internal audit function have been identified following an enterprise-wide risk assessment. The risk assessment is reviewed annually based on prior years results, overall group strategy and emerging risks affecting the business activities of the group. The annual internal audit plan is discussed at each Audit and Risk Committee.

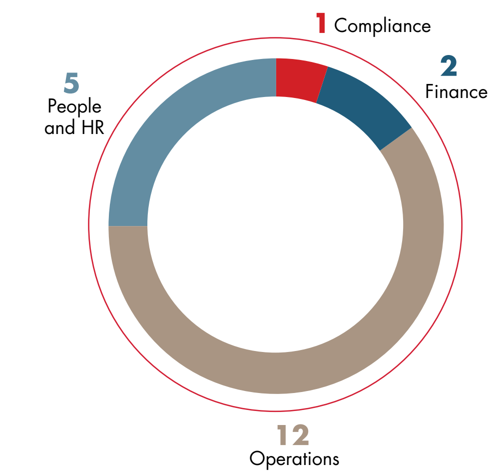
The Internal Audit Plan for the financial year ended 31 December 2023 focused on key financial and operational processes across the main subsidiaries of the Group.

As per the approved internal audit plan, 20 internal audit reviews were carried out in 2023 as shown in the diagrammatic representations below.

Internal audit reviews per company



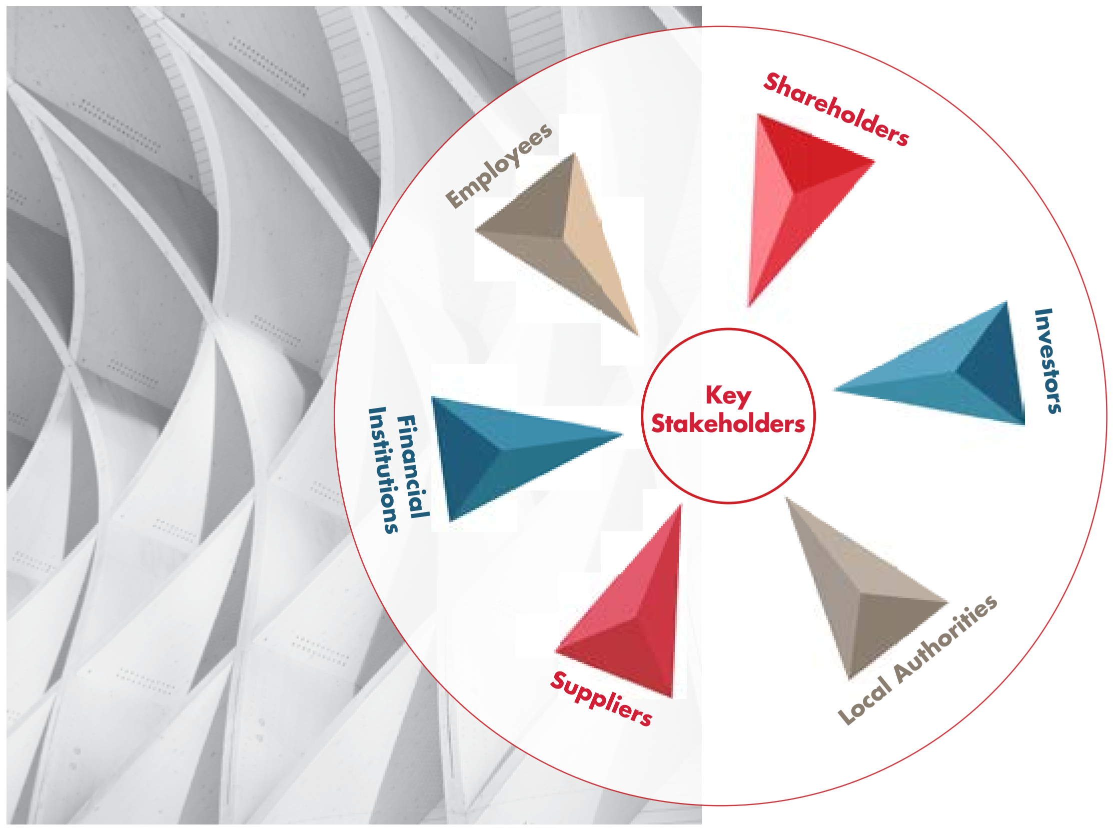
Internal audit reviews per key area



The internal audit function maintains its independence and objectivity to allow for the effective performance of its duties. The direct reporting line is to the Chairman of the Audit and Risk Committee, and the internal audit function may also be called upon by the Chairman of the Board to report to it on specific matters.

PRINCIPLE 8: RELATIONSHIP WITH SHAREHOLDERS AND KEY STAKEHOLDERS

Communication with Key Stakeholders

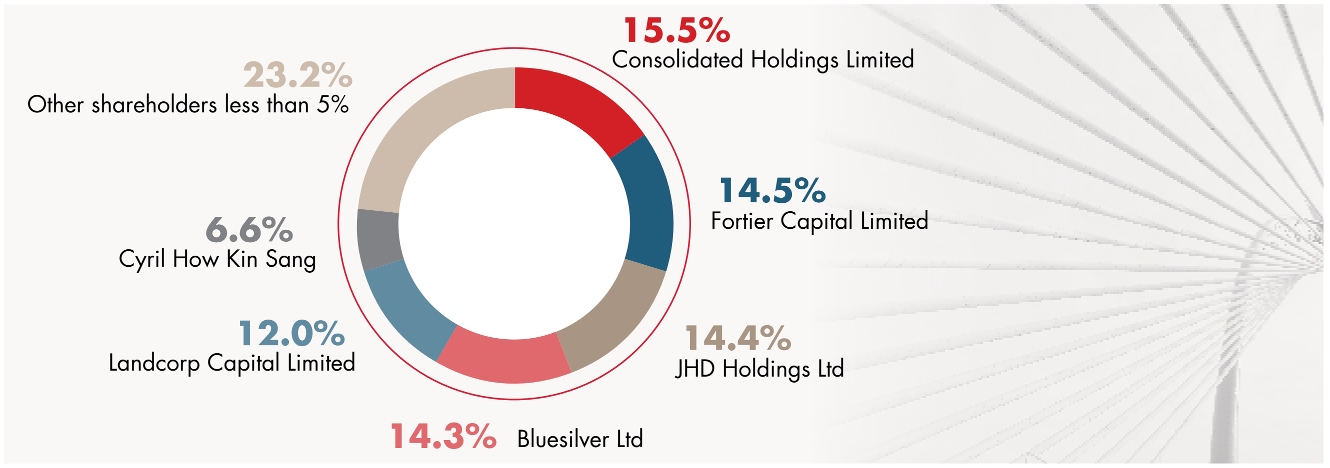


The Board of Directors is committed to having an open and transparent communication with its shareholders, local authorities, financial institutions, suppliers, investors and employees at all times. It normally communicates through its Annual Report, as well as through announcements as provided under the Listing Rules, whenever applicable, through its statutory reporting and publications.

The Company also uses its website to communicate with its shareholders and stakeholders. All communiqués, dividend announcements, abridged financial statements and the annual reports issued by the Company are posted on the Company's website.

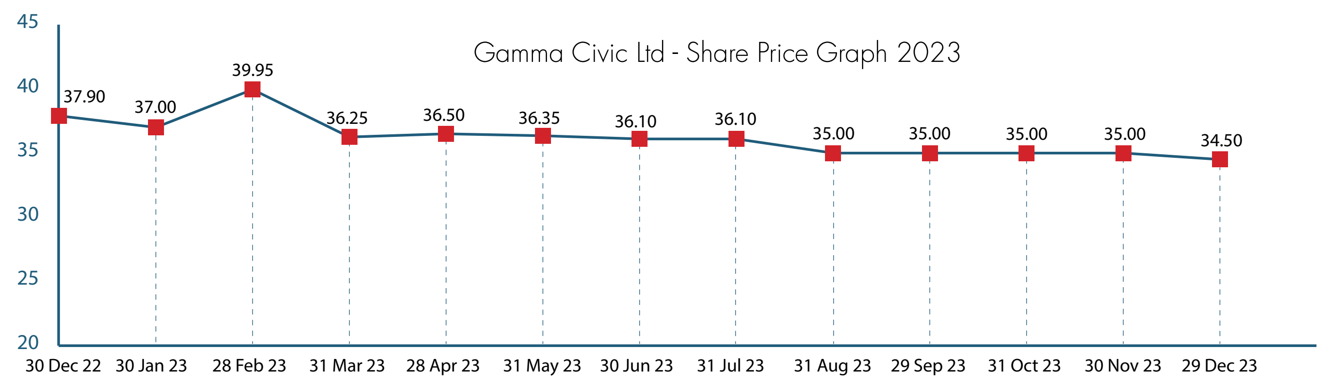
Shareholders holding more than 5% as at 31 December 2023

The composition of the Company's shareholding is as follows:



No individuals or entities held more than 25% of Gamma Civic Ltd as at 31 December 2023.

Share Price Graph



Shares in Public Hands

In line with the Listing Rules, the Company has more than 25% of its shareholding in public hands.

Annual Meeting of Shareholders

The Company's statutory annual meeting for the shareholders to approve the audited financial statements will be held in June 2024 and the notice will be sent to the shareholders accordingly.

Dividend Policy

According to the Gamma Charter, the Company aims at delivering long term annual total shareholder return and an annual dividend. For each financial year, the Company usually declares and pays an interim and a final dividend.

Tommy Ah Teck
Executive Chairman

Maurice Lam
Non-Executive Director

Statement of Compliance

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

Name of Public Interest Entity ("PIE"): Gamma Civic Ltd

Reporting Period: 31 December 2023

We, the Directors of Gamma Civic Ltd confirm that to the best of our knowledge Gamma Civic Ltd has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016), in all material respect.

Tommy Ah Teck
Executive Chairman
28 March 2024

Maurice Lam
Independent Non-Executive Director

Statement of Directors' Responsibilities

in respect of the preparation of financial statements

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

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

The Directors confirm that, in preparing the financial statements, they have to:

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

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

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

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

Approved by the Board of Directors on 28 March 2024 and signed on its behalf by

Twalha Dhunnoo
Executive Director, Deputy CEO and CIO

Paul Halpin
Lead Independent Director

Secretary's Certificate

(Pursuant to Section 166(d) of the Mauritius Companies Act 2001)

We certify that, to the best of our knowledge and belief, Gamma Civic Ltd has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d).

Gamma Corporate Services Ltd

Company Secretary

28 March 2024

Directors' Report

The directors are pleased to submit their report together with the audited financial statements of Gamma Civic Ltd ("the Company") and the Group (together the "Gamma Group") for the year ended 31 December 2023.

Main Investments

Gamma Civic Ltd is a listed investment holding company. Its main objectives are to safeguard and enhance its shareholders' wealth, deliver an acceptable level of return to shareholders and to continue to build a sustainable platform for growth and profitability.

Gamma has investments in different sectors and the principal ones are:

- Contracting;
- Building Materials;
- Lottery & Gaming Technology;
- Hospitality;
- Property; and
- Financial Services.

The operations within the sectors mentioned above as carried out by different companies which are subsidiaries, associates and joint ventures of Gamma Civic Ltd.

Contracting

Gamma Construction Ltd, a wholly-owned subsidiary, is involved in asphalt production, asphalt and road works and building and civil engineering contracting works both in the private and public sectors.

Building Materials

Gamma Materials Ltd, a jointly controlled company, supplies building materials including aggregates, sand and blocks to the construction industry.

Kolos Cement Ltd, a subsidiary, trades in, distributes cement and is engaged in retail sale of cement to hardware stores. It is listed on the Development & Enterprise Market of the Stock Exchange of Mauritius Ltd ("SEM").

Kolos Madagascar SA, a Malagasy subsidiary of Kolos Cement Ltd, trades in and distributes cement in bags.

Lottery & Gaming Technology

Lottotech Ltd, a subsidiary, operates, under licence, the Mauritius National Lottery and Loterie Vert. It is listed on the Official List of the SEM.

Pool Joseph Merven Limited, a subsidiary of Lottotech Ltd, holds a license to operate as agent of foreign pool promoter, currently, The Football Pools Ltd, a sports betting operator in the United Kingdom.

LudWin Group SAS, a foreign joint-venture entity, provides software and technology to lottery operators.

Hospitality

Morning Light Co. Ltd, an associate company, operates in the hotel industry through Hilton Mauritius Resort & Spa and is listed on the Development & Enterprise Market of the SEM.

Property

BR Capital Ltd owns a seven-storey office building in Ebène known as Burford House.

The Group also owns several property assets, including freehold and leasehold land.

Financial Services

Jasiri Investment Ltd, an associate company, is engaged, through its subsidiaries, in the financial services industry.

Gamma Treasury Management Limited (GTML) is a wholly-owned subsidiary of Gamma Civic Ltd which is engaged in treasury management to the Group companies. GTML is regulated by the Financial Services Commission (FSC) of Mauritius.

Directors' Report Continued

Results

Group Performance

Group Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2023: Rs 6,697M	Dec 2023: Rs 443M
Dec 2022: Rs 5,553M	Dec 2022: Rs 481M

Company

Company Statement of Profit or Loss and Other Comprehensive Income

Revenue	Net Profit after Taxation
Dec 2023: Rs 503M	Dec 2023: Rs 234M
Dec 2022: Rs 639M	Dec 2022: Rs 386M

Business Review

For the year ended 31 December 2023, the Group and the Company reported net profit after taxation of Rs 443M and Rs 234M respectively.

More details on the business review are included in the Executive Chairman' Statement.

Outlook

More details on the outlook are included in the Executive Chairman' Statement.

Dividend

A final dividend of Rs 1.75 per share (2022: Rs 1.50 per share) was declared on 31 March 2023 and was in May 2023 in respect of the financial year ended 31 December 2022.

An interim dividend of Rs 0.50 per share (2022: Rs 0.50 per share) was declared on 31 July 2023 and in September 2023 in respect of the financial year ended 31 December 2023.

On behalf of the Board of Directors

Twalha Dhunnoo
Executive Director, Deputy CEO and CIO

Jason Ah Teck
Executive Director

28 March 2024

Other Statutory Disclosures

(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001 AND SECTION 88 OF THE SECURITIES ACT 2005)

Principal Activities

Gamma Civic Ltd is an investment holding company with a diverse portfolio across different industries in Mauritius and Africa.

Directors' and Senior Officers' Interests in Shares

Statement of Direct and Indirect Interest of insiders as at 31 December 2023:

	No. of Shares	
Names of Directors	Direct	Indirect
Boon Hui Chan	–	–
Jason Ah Teck	4,500	181,150
Jean-Claude Lam Hung	30,800	–
Marie Claire Chong Ah-Yan	1,980,830	3,869,317
Maurice Lam Pak Ng	–	–
Patrice Ah Teck	250,000	22,925,777
Paul Halpin	–	–
Tommy Ah Teck	–	23,175,777
Twalha Dhunnoo	–	–

Directors' Remuneration and Benefits

The split of the aggregate remuneration and benefits received and receivable by the Directors of the Company from the Company and its subsidiaries as disclosed in the Corporate Governance Report is as follows: Mr Tommy Ah Teck (21%), Mr Jason Ah Teck (18%), Mr Twalha Dhunnoo (11%), Mr Patrice Ah Teck (22%), Mr Boon Hui Chan (1%), Mr Marie-Claire Chong Ah-Yan (17%), Mr Paul Halpin (6%), Mr Jean-Claude Lam Hung (1%) and Mr Maurice Lam Pak Ng (3%).

Directors' service contracts

None of the Directors of the Company have service contracts with the Company.

Contract of Significance

The Company has no contract of significance with either a Director or a controlling shareholder.

Directors' Insurance

The Directors of Gamma Civic Ltd are insured under the Gamma Civic Ltd master policy directors and officer's liability insurance.

Donations

The Company remains committed to CSR through the Gamma Foundation. For the year 2023, the Group and the Company made donations over and above the statutory CSR.

	Group Rs	Company Rs
Political	–	–
Others	1,289,692	450,300

Auditors' remuneration

The remuneration payable by the Company and its subsidiaries for audit and non-audit services for the financial year ended 31 December 2023 was as follows:

	Company Rs	Subsidiaries of the Company Rs
Audit Services		
Principal auditors	2,065,000	6,596,630
Other auditors	–	726,482
Non-Audit Services		
Principal auditors	–	–
Other auditors	–	–

Deloitte are the principal auditors of the Group and Company.

Twalha Dhunnoo
Executive Director, Deputy CEO and CIO

Jason Ah Teck
Executive Director

28 March 2024

List of Directors of Subsidiaries

as at 31 December 2023

		Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah Yan	Paul Halpin	Maurice Lam Pak Ng	Michelle Carinci	Allagappen Veeramootoo	Goolabchund Goburdhun	Shailesh Beejadarsing	Dominique Billon	Javier De Benito	Fahmida Jeerooburkhan	Twalha Dhunnoo	Kune Foo Jean-Claude Lam Hung	Jacqueline Sitorus	Vivekanada Reddy Challa	Jason Ah Teck	Yive Men Leu San	Cheeneebash Ganeshanlall	Carlo Jean Schreurs	Catherine Marguerite Halpin	Jacques Paul Rene De Chasteigner Du Mee	Cyril How Kin Sang
1	A.S. Burstein Management Ltd		√	√																				
2	Accacias Co Ltd	√	√	√																				
3	Bitumen Storage Ltd	√	√	√																				
4	Boron Investments Ltd	√	√	√																				
5	BR Capital Ltd	√	√	√																				
6	BR Hotel Resorts Ltd	√	√	√																				
7	Burford Development Ltd	√	√	√										√										
8	Burford Investments Ltd	√	√	√																				
9	Burford Property Ltd	√	√	√																				
10	Burford Realty Ltd	√	√	√																				
11	Cement Logistics Ltd	√									√													
12	Centreview Development Ltd	√	√	√																				
13	Fortune Games Pte. Ltd	√																						
14	Gamma Asia Construction Ltd	√		√																				
15	Gamma Capital Ltd	√	√	√										√										
16	Gamma Cement Ltd	√	√		√	√								√										
17	Gamma Civic Construction Holdings Ltd		√	√																				
18	Gamma Construction Ltd	√	√	√	√					√				√				√			√			
19	Gamma Corporate Services Ltd	√											√											
20	Gamma Energy Holdings Ltd	√	√	√																				
21	Gamma Energy Ltd	√	√	√																				
22	Gamma International Management Pte. Ltd	√																√						
23	Gamma Land Ltd	√	√	√																				

List of Directors of Subsidiaries Continued

as at 31 December 2023

		Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah Yan	Paul Halpin	Maurice Lam Pak Ng	Michelle Carinci	Allagappen Veeramootoo	Goolabchund Goburdhun	Shailesh Beejadarsing		Dominique Billon	Javier De Benito	Fahmida Jeerooburkhan	Twalha Dhunnoo	Kune Foo Jean-Claude Lam Hung	Jacqueline Sitorus	Vivekanada Reddy Challa	Jason Ah Teck	Yive Men Leu San	Cheeneebash Ganeshanlall	Carlo Jean Schreurs	Catherine Marguerite Halpin	Jacques Paul Rene De Chasteigner Du Mee	Cyril How Kin Sang
24	Gamma Leisure Ltd	√	√	√																					
25	Gamma Treasury Management Limited					√									√				√	√					
26	Gamma-Civic Construction Ltd	√	√	√																					
27	Gamma-Civic Hotel Holdings Ltd	√	√	√																					
28	Gammafin Resource Management Ltd	√	√												√				√						
29	GammaTech Ltd	√																							
30	Glot Holdings (Mauritius) Ltd	√	√	√																					
31	Glot Management Ltd	√	√	√																					
32	Govenland Co Ltd	√	√	√																					
33	GreenSparrow International Ltd	√																							
34	Infina Investment Ltd	√	√												√				√						
35	Insignia Leisure Resorts Ltd	√	√	√																					
36	Insignia Resorts Ltd	√	√	√																					
37	Kolos Building Materials Ltd	√										√													
38	Kolos Cement Ltd	√	√	√	√							√	√		√		√	√	√						
39	Kolos International Ltd	√	√	√	√							√	√		√		√	√	√						
40	Kolos Madagascar			√								√							√						
41	Loterie Vert Ltd						√	√											√						
42	Lottotech Ltd	√	√	√			√	√	√										√		√		√	√	
43	Ludgate Investments Ltd	√	√	√																					
44	Maurilot Investments Ltd	√	√	√																					
45	Natlot Investments Ltd	√	√	√																					
46	Osterley Investments Ltd	√	√	√																					
47	Pool Joseph Merven Ltd						√	√											√						

List of Directors of Subsidiaries Continued

as at 31 December 2023

		Tommy Ah Teck	Patrice Ah Teck	Marie Claire Chong Ah Yan	Paul Halpin	Maurice Lam Pak Ng	Michelle Carinci	Allagappen Veeramootoo	Goolabchund Goburdhun	Shailesh Beejadarsing		Dominique Billon	Javier De Benito	Fahmida Jeerooburkhan	Twalha Dhunnoo	Kune Foo Jean-Claude Lam Hung	Jacqueline Sitorus	Vivekanada Reddy Challa	Jason Ah Teck	Yive Men Leu San	Cheeneebash Ganeshanlall	Carlo Jean Schreurs	Catherine Marguerite Halpin	Jacques Paul Rene De Chasteigner Du Mee	Cyril How Kin Sang
48	Princegate Holdings Ltd	√	√	√																					
49	RedCircle Investment Ltd	√												√											
50	Regency Realty Ltd	√	√																						√
51	RHT Media Ltd	√	√	√																					
52	Star Cement Ltd	√										√													
53	Traxx Ltd	√	√																						
54	Westbourne Properties Ltd	√	√	√																					
55	Westview Realty Ltd	√		√																					

05

Financial Statements

Summary of Published Results and Assets and Liabilities of the Group

(a) Results

	2023 Rs	2022 Rs	2021 Rs
Revenue	**6,696,920,258**	5,552,968,964	4,470,785,508
Operating profit	**323,247,279**	346,953,121	294,177,412
Net impairment reversal/(charge) on financial and contract assets	**67,317,634**	(51,259,057)	(11,843,910)
Fair value gain on investment properties	**2,119,860**	126,076,823	47,848,147
Finance costs	**(134,632,417)**	(102,824,615)	(71,407,319)
Share of profits of associates and joint ventures	**259,084,682**	225,816,734	144,940,782
Profit before taxation	**517,137,038**	544,763,006	403,715,112
Taxation	**(74,215,202)**	(63,978,309)	(43,470,540)
Profit for the year	**442,921,836**	480,784,697	360,244,572
Profit attributable to:			
- Owners of the company	**378,569,554**	412,623,311	300,970,155
- Non-controlling interests	**64,352,282**	68,161,386	59,274,417
	442,921,836	480,784,697	360,244,572
Total comprehensive income attributable to:			
- Owners of the company	**443,351,106**	434,277,689	323,146,090
- Non-controlling interests	**70,951,288**	79,223,148	67,151,491
	514,302,394	513,500,837	390,297,581
Earnings per share (basic and diluted)	**2.84**	3.10	2.26

(b) Assets and liabilities

	2023 Rs	2022 Rs	2021 Rs
ASSETS			
Non-current assets	**5,517,920,250**	5,156,446,931	4,538,327,731
Current assets	**3,103,678,786**	2,689,367,837	2,749,621,877
Total assets	**8,621,599,036**	7,845,814,768	7,287,949,608
EQUITY AND LIABILITIES			
Owners' interests	**3,812,891,742**	3,689,448,767	3,521,073,722
Non-controlling interests	**183,033,605**	182,739,198	190,646,061
Total equity	**3,995,925,347**	3,872,187,965	3,711,719,783
Non-current liabilities	**1,810,612,204**	1,919,390,156	1,965,329,360
Current liabilities	**2,815,061,485**	2,054,236,647	1,610,900,465
Total equity and liabilities	**8,621,599,036**	7,845,814,768	7,287,949,608

Independent Auditor's Report

to the Shareholders of Gamma Civic Ltd

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Gamma Civic Ltd** (the "Company" and the "Public Interest Entity") and its subsidiaries (the "Group") set out on pages 84 to 159, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2023, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

Other matter

The consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2022 were audited by another auditor, who expressed an unmodified opinion on those statements on 31 March 2023.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Recognition of contract revenue, margin, and related contract assets and receivables	
The construction industry is characterised by contract risk with significant judgments involved in the assessment of both current and future contractual performance. Revenue and margin are recognised using the output method namely surveys of performance completed to date of individual contracts. The status of contracts is updated on a regular basis through cost meetings. During this process, management is required to exercise significant judgement in their assessment of the valuation of contract variations; the completeness and accuracy of forecasts costs to complete; and the ability to deliver contracts within forecasted timelines. Dependent on the level of judgement in each, the range on each contract can be individually material. In addition, changes in these judgements, and the related estimates, as contracts progress can result in material adjustments to revenue and margin, which can be both positive and negative.	We performed the following procedures: • Assessed the design of key controls over the reconciliation of contract revenue process. Such controls were tested to determine their operating effectiveness. • Attended a sample of cost meetings and inspected the respective minutes forming a key part of the entity's risk process. • Selected a sample of contracts and challenged both current and future financial performances. Samples were selected based on a number of quantitative factors, and at random. For sampled contracts, we challenged management's key judgements inherent in the forecasting of costs to completion that drives the accounting based on the value of work certified. This included: • reviewing of the contract terms and conditions by reference to contract documentation. • testing the existence and valuation of claims and variations both within contract revenue and contract costs via inspection of correspondence with customers independent surveyors. • discussing with project managers, quantity surveyors and finance team to understand the progress to-date, any issues foreseen on those contracts and estimated efforts to satisfy the performance obligations under the contracts and corroboration of these discussions with the accrued costs computed by the management for each contract. • assessing the ability to deliver contracts within budgeted timescales and any exposures to liquidated damages for late delivery of contract works; and the ability to identify and determine foreseeable losses on contracts. • reviewing certification from clients' quantity surveyors. • performing multiple site visits to corroborate findings as per the cost meetings and minutes of contracts. • reviewing significant deviations from original revenue, cost and margin estimates, obtaining appropriate explanation from management for such deviations and evaluation of the impact on the revenue recognition. • scrutinising contracts which were closed during the year to consider their profitability and to compare with previous forecasts of those same contracts in order to assess management's ability to estimate cost of completion.

Independent Auditor's Report Continued

to the Shareholders of Gamma Civic Ltd

Report on the audit of the consolidated and separate financial statements (continued)

Other information

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

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

Financial Reporting Act 2004

Corporate Governance Report

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

Use of this report

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

Deloitte
Chartered Accountants

28 March 2024

R. Srinivasa Sankar, FCA
Licensed by FRC

Statements of Financial Position

as at 31 December 2023

	Notes	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	5	**1,568,058,085**	1,485,666,511	**365,547,852**	346,741,883
Intangible Assets	6	**921,379,070**	901,767,318	**434,217**	840,822
Investments in Subsidiaries	7	**–**	–	**1,640,775,280**	1,580,721,262
Investments in Associates and Joint Ventures	8	**1,346,375,008**	1,045,757,285	**306,596,174**	127,019,652
Investment Properties	9	**1,493,868,021**	1,479,295,725	**–**	–
Other Financial Assets	10(c)	**124,031,000**	142,160,670	**124,031,000**	142,160,670
Deferred Tax Assets	17(b)	**51,186,329**	47,743,183	**–**	–
Contract Assets	12	**6,084,279**	46,665,143	**–**	–
Non-Current Receivables	31	**6,938,458**	7,391,096	**490,114**	490,114
		5,517,920,250	5,156,446,931	**2,437,874,637**	2,197,974,403
CURRENT ASSETS					
Inventories	11	**479,006,181**	347,605,404	**–**	–
Contract Assets	12	**508,427,190**	384,367,828	**–**	–
Trade and Other Receivables	12(a)	**820,459,456**	690,600,972	**39,475,703**	64,753,209
Amounts due from Subsidiaries	28(d)(i)	**–**	–	**268,375,070**	406,572,025
Other Financial Assets	10(c)	**–**	149,570,556	**–**	149,570,556
Current Tax Assets	17(a)(iii)	**1,778,848**	1,181,398	**248,116**	1,080,094
Cash at Bank, in Hand and Short Term Deposits	26	**1,294,007,111**	1,116,041,679	**573,797,446**	429,932,509
		3,103,678,786	2,689,367,837	**881,896,335**	1,051,908,393
TOTAL ASSETS		**8,621,599,036**	7,845,814,768	**3,319,770,972**	3,249,882,796
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share Capital	13	**133,250,000**	133,250,000	**133,250,000**	133,250,000
Share Premium		**86,482,579**	86,482,579	**86,482,579**	86,482,579
Other Reserves		**3,593,159,163**	3,469,716,188	**1,359,436,165**	1,408,403,519
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**3,812,891,742**	3,689,448,767	**1,579,168,744**	1,628,136,098
NON-CONTROLLING INTERESTS	7(d)	**183,033,605**	182,739,198	**–**	–
TOTAL EQUITY		**3,995,925,347**	3,872,187,965	**1,579,168,744**	1,628,136,098
NON-CURRENT LIABILITIES					
Borrowings	14	**1,237,978,902**	1,398,612,367	**1,154,337,980**	1,235,187,776
Trade and Other Payables	19	**70,048,621**	64,536,903	**–**	–
Contract Liabilities	19(a)	**64,927,305**	41,290,500	**–**	–
Lease Liabilities	15	**221,024,031**	224,418,469	**13,415,032**	12,903,825
Retirement Benefit Obligations	16(c)	**117,672,027**	103,485,713	**17,364,000**	18,464,000
Deferred Tax Liabilities	17(b)	**98,961,318**	87,046,204	**8,005,000**	6,408,000
		1,810,612,204	1,919,390,156	**1,193,122,012**	1,272,963,601
CURRENT LIABILITIES					
Bank Overdrafts	18/26	**402,568,186**	221,143,909	**–**	–
Borrowings	14	**164,440,401**	267,404,374	**82,529,237**	83,125,069
Lease Liabilities	15	**45,331,979**	36,179,927	**6,157,195**	3,825,037
Trade and Other Payables	19	**1,316,467,243**	1,259,134,941	**140,581,407**	107,450,270
Contract Liabilities	19(a)	**852,297,893**	214,926,630	**–**	–
Amounts due to Subsidiaries	28(d)(ii)	**–**	–	**318,212,377**	154,382,721
Current Tax Liabilities	17(a)(iii)	**33,955,783**	55,446,866	**–**	–
		2,815,061,485	2,054,236,647	**547,480,216**	348,783,097
TOTAL LIABILITIES		**4,625,673,689**	3,973,626,803	**1,740,602,228**	1,621,746,698
TOTAL EQUITY AND LIABILITIES		**8,621,599,036**	7,845,814,768	**3,319,770,972**	3,249,882,796

Approved by the Board of Directors and signed on its behalf on 28 March 2024.

Twalha Dhunnoo
Executive Director, Deputy CEO and CIO

Paul Halpin
Lead Independent Director

The notes on pages 91 to 159 form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2023

	Notes	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
Revenue	20	**6,696,920,258**	5,552,968,964	**503,475,320**	639,049,692
Operating Profit	21	**323,247,279**	346,953,121	**318,894,687**	443,890,338
Net Impairment Reversal/(Charge) on Financial and Contract Assets	12	**67,317,634**	(51,259,057)	**–**	–
Net Fair Value Gain on Investment Properties	9	**2,119,860**	126,076,823	**–**	–
Finance Costs	22	**(134,632,417)**	(102,824,615)	**(73,012,027)**	(54,115,204)
Share of Profits of Associates and Joint Ventures	8(a)	**259,084,682**	225,816,734	**–**	–
Profit before Taxation		**517,137,038**	544,763,006	**245,882,660**	389,775,134
Taxation	17(a)(ii)	**(74,215,202)**	(63,978,309)	**(11,702,301)**	(3,876,046)
PROFIT FOR THE YEAR		**442,921,836**	480,784,697	**234,180,359**	385,899,088
OTHER COMPREHENSIVE INCOME					
Items that will not be classified subsequently to Profit or Loss:					
Gain on Revaluation of Property	5(c)	**48,199,578**	27,358,320	**17,931,960**	3,940,679
Deferred Tax on Gain on Revaluation of Property	17(b)	**(5,932,928)**	(3,205,914)	**(787,433)**	741,085
Share of Gain on Property Revaluation of Associates and Joint Ventures	8(a)	**49,082,708**	6,318,897	**–**	–
Remeasurement of Actuarial (Loss)/Gain on Retirement Benefit Obligations	16(f)	**(27,265,402)**	356,979	**(578,000)**	(38,000)
Deferred Tax on Remeasurement of Retirement Benefit Obligations	17(b)	**4,614,888**	(51,166)	**98,260**	6,460
Share of Remeasurement of Actuarial Loss on Retirement Benefit Obligations in Associates & Joint Ventures, net of Deferred Tax	8(a)	**(217,736)**	(3,487,729)	**–**	–
Items that may be reclassified subsequently to Profit or Loss:					
Foreign Currency Translation Reserve Movement		**2,899,450**	5,426,753	**–**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**71,380,558**	32,716,140	**16,664,787**	4,650,224
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**514,302,394**	513,500,837	**250,845,146**	390,549,312
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		**378,569,554**	412,623,311	**234,180,359**	385,899,088
Non-Controlling Interests		**64,352,282**	68,161,386	**–**	–
		442,921,836	480,784,697	**234,180,359**	385,899,088
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		**443,351,106**	434,277,689	**250,845,146**	390,549,312
Non-Controlling Interests		**70,951,288**	79,223,148	**–**	–
		514,302,394	513,500,837	**250,845,146**	390,549,312
EARNINGS PER SHARE (Basic and Diluted)	24	**2.84**	3.10		

The notes on pages 91 to 159 form an integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2023

Group

	Share Capital Rs	Share Premium Rs	Revaluation Reserve Rs	Foreign Currency Translation Reserve Rs	Retained Earnings Rs	Attributable to Owners of the Parent Rs	Non-Controlling Interests Rs	Total Rs
Balance at 1 January 2022	133,250,000	86,482,579	441,621,887	54,283,215	2,805,436,040	3,521,073,722	190,646,061	3,711,719,783
Revaluation Surplus of Associate Realised on Depreciation of Property	–	–	(3,662,190)	–	3,662,190	–	–	–
Revaluation Surplus Realised on Disposal of Property and on Depreciation	–	–	(6,628,678)	–	6,628,678	–	–	–
Profit for the Year	–	–	–	–	412,623,311	412,623,311	68,161,386	480,784,697
Other Comprehensive Income for the Year	–	–	25,460,936	5,426,753	(9,233,310)	21,654,378	11,061,762	32,716,140
Total Comprehensive Income for the Year	–	–	25,460,936	5,426,753	403,390,001	434,277,689	79,223,148	513,500,837
Change in Ownership without Loss of Control (Note 35)	–	–	–	–	597,356	597,356	(725,641)	(128,285)
Dividend (Note 23)	–	–	–	–	(266,500,000)	(266,500,000)	(86,404,370)	(352,904,370)
Balance at 31 December 2022	**133,250,000**	**86,482,579**	**456,791,955**	**59,709,968**	**2,953,214,265**	**3,689,448,767**	**182,739,198**	**3,872,187,965**
Revaluation Surplus of Associate Realised on Depreciation of Property	**–**	**–**	**(4,111,205)**	**–**	**4,111,205**	**–**	**–**	**–**
Revaluation Surplus Realised on Depreciation of Property	**–**	**–**	**(10,523,319)**	**–**	**10,523,319**	**–**	**–**	**–**
Profit for the Year	**–**	**–**	**–**	**–**	**378,569,554**	**378,569,554**	**64,352,282**	**442,921,836**
Other Comprehensive Income for the Year	**–**	**–**	**84,817,605**	**6,451,931**	**(26,487,984)**	**64,781,552**	**6,599,006**	**71,380,558**
Total Comprehensive Income for the Year	**–**	**–**	**84,817,605**	**6,451,931**	**352,081,570**	**443,351,106**	**70,951,288**	**514,302,394**
Change in Ownership without Loss of Control (Note 35)	**–**	**–**	**–**	**(939,549)**	**(19,156,082)**	**(20,095,631)**	**16,601,881**	**(3,493,750)**
Dividend (Note 23)	**–**	**–**	**–**	**–**	**(299,812,500)**	**(299,812,500)**	**(87,258,762)**	**(387,071,262)**
Balance at 31 December 2023	**133,250,000**	**86,482,579**	**526,975,036**	**65,222,350**	**3,000,961,777**	**3,812,891,742**	**183,033,605**	**3,995,925,347**

The notes on pages 91 to 159 form an integral part of these financial statements.

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Statements of Changes in Equity

for the year ended 31 December 2023

Company

	Share Capital Rs	Share Premium Rs	Revaluation Reserve Rs	Retained Earnings Rs	Total Rs
Balance at 1 January 2022	133,250,000	86,482,579	286,762,218	997,591,989	1,504,086,786
Revaluation Surplus Realised on Depreciation of Property	–	–	(2,429,314)	2,429,314	–
Profit for the Year	–	–	–	385,899,088	385,899,088
Other Comprehensive Income for the Year	–	–	4,681,764	(31,540)	4,650,224
Total Comprehensive Income for the Year	–	–	4,681,764	385,867,548	390,549,312
Dividend (Note 23)	–	–	–	(266,500,000)	(266,500,000)
Balance at 31 December 2022	**133,250,000**	**86,482,579**	**289,014,668**	**1,119,388,851**	**1,628,136,098**
Revaluation Surplus Realised on Depreciation of Property	**–**	**–**	**(2,124,607)**	**2,124,607**	**–**
Profit for the Year	**–**	**–**	**–**	**234,180,359**	**234,180,359**
Other Comprehensive Income for the Year	**–**	**–**	**17,144,527**	**(479,740)**	**16,664,787**
Total Comprehensive Income for the Year	**–**	**–**	**17,144,527**	**233,700,619**	**250,845,146**
Dividend (Note 23)	**–**	**–**	**–**	**(299,812,500)**	**(299,812,500)**
Balance at 31 December 2023	**133,250,000**	**86,482,579**	**304,034,588**	**1,055,401,577**	**1,579,168,744**

The notes on pages 91 to 159 form an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2023

	Notes	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Tax		**517,137,038**	544,763,006	**245,882,660**	389,775,134
Adjustments for:					
Depreciation of Property, Plant and Equipment	5	**89,293,053**	87,646,917	**3,894,978**	4,124,141
Depreciation of Right-of-Use assets	5(g)	**59,437,978**	50,043,033	**4,665,189**	3,735,084
Amortisation of Intangible Assets	6	**20,373,230**	18,706,458	**859,828**	620,022
Net Impairment (Reversal)/Charge on Financial Assets	12(a)	**(67,317,634)**	51,259,057	**–**	–
Net Impairment of Investments in Subsidiaries		**–**	–	**4,758,667**	13,838,632
Write Back of Payables upon Winding Up of Subsidiaries		**–**	–	**(5,022,375)**	(16,599,482)
Provision/(Reversal) of Provision for Slow Moving Inventories	21	**5,875,245**	(4,967,996)	**–**	–
Net Foreign Exchange Differences		**10,959,641**	(12,038,809)	**(15,384,658)**	5,055,698
Interest Expense	22	**134,632,417**	102,824,615	**73,012,027**	54,115,204
Interest Income	21	**(38,917,070)**	(9,276,322)	**(43,109,426)**	(22,490,340)
Dividend Income	20	**–**	–	**(307,565,126)**	(462,818,128)
Non-cash Element of Retirement Benefit Expense	16(e)	**(5,144,981)**	40,424,552	**(1,248,000)**	6,504,000
Profit on Disposal of Property, Plant and Equipment	21	**(3,850)**	(1,669,651)	**–**	(21,043)
Amortisation of Land Lease Payment		**757,000**	480,911	**–**	–
Intangible Assets Written Off		**727,221**	–	**–**	–
Loss on Termination of Lease		**–**	12,607,024	**–**	–
Net Gain from Fair Value Adjustment on Investment Properties	9	**(2,119,860)**	(126,076,823)	**–**	–
Share of Profit of Associates and Joint Ventures	8(a)	**(259,084,682)**	(225,816,734)	**–**	–
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		**466,604,746**	528,909,238	**(39,256,236)**	(24,161,078)
(Increase)/Decrease in Inventories		**(136,406,478)**	64,368,639	**–**	–
(Increase)/Decrease in Non-Current Receivables, Contract Assets, and Trade and Other Receivables		**(148,198,709)**	(86,941,901)	**25,268,506**	13,006,438
Increase/(Decrease) in Amount due from Subsidiaries		**–**	–	**136,870,274**	(35,825,757)
Increase/(Decrease) in Contract Liabilities, and Trade and Other Payables		**723,852,088**	135,675,474	**29,906,082**	(992,928)
Increase in Amount due to Subsidiaries		**–**	–	**129,434,899**	70,106,954
Funding of Retirement Benefits Obligations	16(c)	**(7,934,107)**	(8,266,718)	**(430,000)**	(253,000)
CASH GENERATED FROM OPERATIONS		**897,917,540**	633,744,731	**281,793,525**	21,880,629
Interest Paid		**(133,722,525)**	(102,824,615)	**(72,102,135)**	(52,218,915)
Dividend Received		**180,739,788**	99,216,240	**307,565,126**	462,818,128
Income Tax Paid	17(a)(iii)	**(90,288,970)**	(32,527,056)	**(9,962,496)**	(175,780)
NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		**854,645,833**	597,609,300	**507,294,020**	432,304,062

The notes on pages 91 to 159 form an integral part of these financial statements.

Statements of Cash Flows Continued

for the year ended 31 December 2023

	Notes	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	25	**(123,856,365)**	(68,171,493)	**(1,922,536)**	(1,692,152)
Purchase of Intangible Assets	6	**(40,723,687)**	(34,602,058)	**(453,223)**	(248,400)
Proceeds from Disposal of Property, Plant and Equipment		**20,000**	2,233,946	**–**	21,043
Proceeds from Disposal of Assets Classified as Held for Sale		**–**	171,000,000	**–**	–
Investment in Financial Asset at FVTPL		**–**	(137,054,000)	**–**	(137,054,000)
Net Redemption of/(Investment in) Financial Asset at Amortised Cost		**25,000,000**	(150,000,000)	**25,000,000**	(150,000,000)
Investment in Joint venture		**(22,665,378)**	(73,774,012)	**(22,665,378)**	(73,774,012)
Additional Interests in Subsidiaries		**(3,493,750)**	–	**–**	–
Additions to Investment Properties		**(10,577,437)**	(82,093,747)	**–**	–
Decrease in Non-current Amount due from Subsidiaries		**–**	–	**9,344,927**	69,547,365
Increase in Non-current Amount due from Subsidiaries		**–**	–	**(31,708,000)**	(85,064,000)
Interest Received		**34,102,152**	9,276,322	**38,294,508**	15,323,533
NET CASH FLOWS (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		**(142,194,465)**	(363,185,042)	**15,890,298**	(362,940,623)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend Paid to Owners of the Company	23	**(299,812,500)**	(266,500,000)	**(299,812,500)**	(266,500,000)
Dividend Paid to Non-controlling Interests		**(87,258,762)**	(86,404,370)	**–**	–
Proceeds from Borrowings		**2,154,961,544**	592,607,548	**–**	–
Repayment of Loans		**(2,418,558,982)**	(667,226,579)	**(80,849,336)**	(14,220,301)
Repayments under Lease Agreements		**(55,312,758)**	(31,399,987)	**(4,668,274)**	(3,609,102)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(705,981,458)**	(458,923,388)	**(385,330,110)**	(284,329,403)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**6,469,910**	(224,499,130)	**137,854,208**	(214,965,964)
Net Foreign Exchange Differences		**(9,928,755)**	11,620,701	**6,010,729**	(5,473,806)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**894,897,770**	1,107,776,199	**429,932,509**	650,372,279
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	**891,438,925**	894,897,770	**573,797,446**	429,932,509

The notes on pages 91 to 159 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2023

1. INCORPORATION AND ACTIVITIES

The financial statements of Gamma Civic Ltd and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 30 March 2024. Gamma Civic Ltd (the "Company") is a public company incorporated in Mauritius and listed on the Official Market of the Stock Exchange of Mauritius Ltd. Its registered office is situated at Royal Road, Chapman Hill, Beau Bassin, Mauritius. The Company operates as an investment holding company. The Group operates in the following business segments: building materials, contracting, property, lottery, corporate services and others. Its principal place of business is situated at 18, Bank Street, Cybercity, Ebène, Mauritius.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2023.

2.1 NEW AND REVISED STANDARDS THAT ARE EFFECTIVE BUT WITH NO MATERIAL EFFECT ON THE FINANCIAL STATEMENTS

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

IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates
IAS 12	Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations
IAS 12	Income Taxes – Amendments to provide a temporary exception to the requirements equating deferred tax assets and liabilities related to pillar two income taxes

2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective for annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective 1 January 2024)
IAS 1	Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective 1 January 2024)
IAS 7	Statement of Cash Flows – Amendments regarding supplier finance arrangements (effective 1 January 2024)
IFRS 7	Financial Instruments: Disclosures – Amendments regarding supplier finance arrangements (effective 1 January 2024)
IFRS 16	Leases – Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions (effective 1 January 2024)
IFRS S1	General Requirements for Disclosure of Sustainability - related financial information - Original issue (effective 1 January 2024)
IFRS S2	Climate-related Disclosures (effective 1 January 2024)

The directors anticipate that these standards and interpretations will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the adoption of these amendments.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Preparation

The financial statements are prepared under the historical cost convention, except for the revaluation of certain property, plant and equipment, investment properties and certain financial instruments that have been measured at fair values as disclosed in the accounting policies. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and complies with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The financial statements are presented in Mauritian Rupee and all values are rounded to the nearest Mauritian Rupee, except when otherwise indicated.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

In the Company's financial statements, investments in subsidiaries are stated at cost, less any impairment loss.

Non-Current amounts due from subsidiaries are classified as Investment in Subsidiaries by the Company as these amounts are unsecured and management does not intend to recall any amount in the foreseeable future. These amounts are in substance an extension of the equity investments in these subsidiaries so that the amounts are stated at nominal value.

Comparative figures have been regrouped where necessary to conform to the current year's presentation.

(b) Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Investments in Associates and Joint Ventures'

Associates are those companies which are not subsidiaries, over which the Group exercises significant influence and in which it holds a long-term equity interest. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for at cost in the Company's financial statements and under the equity method of accounting in the Group's financial statements from the date on which investee becomes an associate or a joint venture. Under the equity method, the Group's share of the associates' and joint ventures' profit or loss for the year is recognised in the Statements of Profit or Loss and Other Comprehensive Income and the Group's interest in the associate and joint ventures' is carried in the Statements of Financial Position at an amount that reflects its share of the net assets of the associates and joint ventures'.

When the Group's share of losses of an associate of joint venture exceeds the Group's interest in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate and joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in Profit or Loss.

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

(d) Basis of Consolidation

The consolidated financial statements include the results of the Company and its subsidiaries which are controlled by the Company. Control is achieved by the Company when:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the Statements of Profit or Loss and Other Comprehensive Income from the date of their control is acquired or up to the date when control is lost.

Specifically, income and expenses of a subsidiary acquired or the parent Company loses control of the subsidiary disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the parent company gains control until the date when the Company ceases to control the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling

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3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(d) Basis of Consolidation Continued

interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of change in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in Profit or Loss.

Goodwill is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Property, Plant and Equipment

All property, plant and equipment are initially recorded at cost.

Land and buildings are subsequently shown at revalued amounts less accumulated depreciation. Revaluations are made by independent professional valuers. Under the revaluation model, assets will be carried at revalued amount less accumulated depreciation and subsequent accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Surpluses arising on revaluation are credited to revaluation reserve. Deficits that offset previous surpluses of the same asset are charged against the revaluation reserve in Other Comprehensive Income. All other deficits are charged to Profit or Loss.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Depreciation is calculated to write off the cost or revalued amount of property, plant and equipment, with the exception of freehold land and property, plant and equipment in progress, on a straight line basis over the expected useful lives of the assets concerned.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in Profit or Loss.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

The principal annual rates used for the purpose are:

Leasehold Improvements	2% to 20%
Freehold Buildings	2% to 20%
Plant and Machinery	10% to 50%
Motor Vehicles	20%
Furniture, Fittings and Equipment	10% to 33 1/3%
Rights-of-use assets	2% to 20%

No depreciation is provided on freehold land and on work in progress.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(g) Intangible Assets

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and Other Comprehensive Income when the asset is derecognised.

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates and joint ventures is included in investments in associates and joint ventures. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(ii) Computer Software

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalised at cost and amortised over its estimated useful life. The principal annual rates used for the purpose are 20% to 33 1/3%.

3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. In general, cost is determined on a weighted average basis. The cost of inventories comprises all costs of purchase, costs of conversion and other costs, including a proportion of relevant overheads, incurred in bringing them to their present location and condition. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The main inventory item for the Group consists of cement which the Group purchases in bulk and packs for resale to customers. The bulk cement is disclosed as raw materials and the packed cement as finished goods.

(i) Financial Instruments

Financial Assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

The Group's and the Company's financial assets include cash in hand at banks, trade and other receivables, bank notes and inter-company receivables.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group includes in this category cash in hand at banks, trade and other receivables, notes and intercompany receivables. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

Amortised cost and effective interest method ("EIR")

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become impaired (see below). For financial assets that have subsequently become impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the impaired financial instrument improves so that the financial asset is no longer impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in Operating Profit

Fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Fair value through profit or loss

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at Financial assets through profit or loss (FVTPL). Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes debt instruments which are mandatorily classified at FVTPL since the business model is not 'hold to collect' or 'hold to collect and sell'. Refer to Note 10(a).

Derecognition

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

- The rights to receive cash flows from the asset have expired.

Or

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

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

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade receivables and contract assets. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive.

For contract assets, the Group applies a simplified approach in calculating ECLs. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast

3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(i) Financial Instruments Continued

Financial Assets continued

Impairment of financial assets continued

economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group makes use of the roll rate methodology. It predicts the probability of default based on delinquency and calculates the percentage of debtors' balance in each bucket that deteriorate to the next bucket in the following month. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The information about the ECLs on the Group's trade receivables is disclosed in Note 12.

For all the other financial instruments where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that results from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Write-off of financial assets

The Group assesses any write-off to be made on trade receivables, contract assets and amount due from related parties on a case to case basis when there is sufficient evidence that the amount receivable will no longer be recoverable.

Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method unless the effect of discounting would be immaterial in which case they are stated at cost.

Loans and borrowings and lease liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as "Finance costs" in the Statement of profit or loss.

This category includes interest bearing loans including bank overdrafts.

Derecognition

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

(j) Offsetting of Financial Instruments

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

(k) Taxation

Income tax expense represents the sum of the tax currently payable, deferred tax and Corporate Social Responsibility.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statements of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred taxation

Deferred taxation is provided for on the comprehensive basis using the liability method.

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

(iii) Corporate Social Responsibility

The Group is required to allocate 2% of its chargeable income of the preceding financial year to Government approved Corporate Social Responsibility (CSR) projects.

The required CSR charge for the current year is recognised as income tax expense in profit or loss. The net amount of CSR fund payable to the taxation authority is included as income tax payable in the statement of financial position.

3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(l) Leases

Lessor

The Group and the Company enter into lease agreements as a lessor with respect to some of its Investment Properties. Leases for which the Group and the Company are a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Lessee

The Group considers whether a contract is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use assets are measured at cost for those which are classified under Property, Plant & Equipment, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

The right-of-use assets which are classified as Investment Properties are measured at fair value. Initial cost is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequent re-measurements are taken to profit or loss.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group and the Company have elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(m) Investment Properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are stated initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are measured at fair value. Gains or losses arising from changes in the fair value of the investment properties are included in Profit or Loss in the period in which they arise.

Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

(n) Foreign Currency Translation

Transactions in foreign currencies are translated into the functional and presentation currency, Mauritian rupee, at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies in the Statements of Financial Position are translated into Mauritian rupees at the rates of exchange ruling at the reporting date, and any differences in exchange arising are taken to profit or loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Mauritian Rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(o) Revenue Recognition

Revenue from contract with customers

Revenue is based on invoiced values, net of value added tax, of all sales of goods and services, proceeds from ticket sales net of prizes, sale of building materials and other contract work executed less discounts, allowances and returns.

Revenue from sales of goods and services is recognised when goods are delivered and title has passed and the services have been rendered.

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as per note 3(p).

Revenue from lottery consist of sale of tickets, which are the wagers placed on lottery tickets on the Group's draw-based game, net of prizes.

The Group's revenue from lottery is recognised at the point in time when the draw has been held and the results have been certified by the Gambling Regulatory Authority. Where players wager in advance, the income is deferred and recorded as contract liabilities, until the draw has taken place when it is then recognised as revenue in profit or loss.

Revenue from sales of building materials represents sales of cement, classified as bulk and bag. The performance is recognised at a point in time when control of the goods has transferred to the customer and the transactions price has already been set. As per condition of sales no alterations and cancellation of orders can be made once goods and services have been delivered, this is generally when the goods are delivered to the customers. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and Value Added Tax.

Other Revenue

Interest income is recognised when the income can be reliably measured and on a time basis, unless collectability is in doubt. Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under operating profit in the statement of profit or loss.

Dividend income from equity investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

The Group is involved in the construction industry and produces asphalt for resale. Revenue from contracts with customers is recognised when the control of goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements.

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3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(p) Construction Contracts

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 4.

The Group principally generates revenue from its construction activities such as building of infrastructures, roads and minor civil constructions. The Group has established that it has one performance obligation in contracts entered with clients.

The Group recognises revenue from its construction contracts over time, using an output method to measure progress towards completion of the asset promised, because the customer simultaneously receives and consumes the benefits provided by the Group. Output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods transferred to date relative to the remaining goods promised under the contract.

The Group believes that the output method faithfully depicts the Group's performance towards complete satisfaction of the performance obligation. The Group uses surveys of performance completed to date to determine the amount of revenue to be recognised.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing components in respect of advances from its customers

Generally, the Group receives advances from its customers which are classified as short term and long term advances and classified as current or non-current contract liabilities. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Based on the nature of the goods and services offered and the purpose of payment terms, the Group determined that for the vast majority of the contracts that require customers to pay long-term advances, the payment terms were structured primarily for reason other than the provision of finance to the Group, i.e. advances are generally required from new customers, as well as customers with a history of late payments, they do not provide customers with an alternative to pay in arrears. In addition, the length of time between when the customer pays for the goods and the Group transfers goods to the customer is relatively short. Therefore, the Group has concluded that there is no significant financing component in these contracts.

Progress billings

Progress billings are invoices requesting payment for work completed till date. Progress billings are prepared and submitted for payment at each month end for all projects. Generally, the Group performs its surveys of work completed at each month end and issues a draft invoice to the customers for approval

(iii) Non contracting revenue

Revenue from the sale of asphalt and testing of materials is recognised at the point in time when the control of goods and services are transferred to the customer. Control is transferred at the point of delivery of the asphalt. The revenue amount reflects the consideration to which the Group expects to be entitled in exchange for those goods and services

(q) Contract Balances

(i) Contract asset

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

(ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in 3(e).

(iii) Contract liabilities

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

(r) Retirement Benefit Obligations

Retirement Benefits in respect of The Workers' Rights Act 2019

The present value of retirement benefits in respect of The Workers' Rights Act 2019 is recognised in the Statement of Financial Position as a non-current liability. The valuation of the obligations is carried out annually by a firm of qualified actuaries.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from past experience adjustments and changes in actuarial assumptions are either charged or credited in Other Comprehensive Income in the period in which they arise. Past-service costs are recognised immediately in Profit or Loss when incurred.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group and the Company present the first two components of defined benefit costs in Profit or Loss.

Defined Contribution

The Group and the Company operate a defined contribution pension plan for all qualifying employees. The funds are managed by an independent management committee. Where employees leave the plan in prior to full vesting of the contributions, the contributions payable by the Group and Company are reduced by the amount of forfeited contributions. Any residual gratuities under the Workers' Rights Act 2019 for the qualifying employees after allowing for permitted deduction in respect of the pension plan are included in retirement benefits.

Payments to the defined contribution pension plan are recognised as an expense when employees have rendered service entitling them to the contributions.

State plan

Contributions to the Contribution Sociale Généralisée (CSG) are expensed in profit or loss in the period in which they fall due.

(s) Borrowing Costs

Borrowing costs attributable to the acquisition of plant and machinery and construction of buildings, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the respective assets until such time as the asset are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Profit or Loss in the period they are incurred.

(t) Dividend Declared

Dividend declared is recognised directly in the Statement of Changes in Equity as a reduction in Retained Earnings when declared. A corresponding liability is accounted in the Statement of Financial Position for amounts not yet paid at year end.

(u) Impairment of Non-Financial Asset

The Group and the Company's assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(u) Impairment of Non-Financial Asset Continued

The Group and the Company base the impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(v) Accruals

Accruals are recognised when the Group and the Company have not yet received invoices for a good or service that has already been supplied and it is expected that the Group and the Company will fulfil their responsibility towards the supplier.

(w) Prizes

The draw-based game is operated under a prize pool mechanism under which a predetermined percentage of the ticket sales is allocated to prizes. To the extent that the actual prizes won on the draw vary from the predetermined percentage, the relevant prize is carried forward under a roll-over to subsequent draws.

The liability for prizes is recognised at the time of the draw in line with the predetermined percentage for that game. Prizes are net-off against gross lottery ticket sales in Profit or Loss.

If prizes remain unclaimed for 184 days from the date of the draw-based game, the unclaimed prizes are remitted to the National Solidarity Fund.

(x) Consolidated Fund

The Group has a legal requirement to contribute a set proportion of net proceeds from lottery games to the Consolidated Fund managed by the Government of Mauritius.

The amount of Consolidated Fund represents the predetermined percentage of gross ticket sales net of prizes.

(y) Retailers' and Other Commissions

The Group pays commissions to third party retailers who act as agents of the Group under a standard commission structure, fixed at a percentage of total sales. In addition, validation commission is paid on prizes. A similar commission structure is applicable for the Field Sales and Technical Representatives in Rodrigues.

(z) Cash and Cash Equivalents

Cash comprises cash at bank and in hand and demand deposits net of bank overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(aa) Assets Classified as Held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are neither depreciated nor amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

or

- is a subsidiary acquired exclusively with a view to resale

(ab) Share Capital

Share capital comprises ordinary shares.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

(ac) Segment Reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

(ad) Contingent Asset

A contingent asset is disclosed where an inflow of economic benefits is probable.

(ae) Contingent Liabilities

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(af) Current versus Non-current Classification

The Group and the Company present assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. MATERIAL ACCOUNTING POLICY INFORMATION CONTINUED

(ag) Fair Value Measurement

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

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

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

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

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

The Management determines the policies and procedures for both recurring fair value measurement, such as Freehold land & buildings, investment properties and unquoted financial assets at fair value through OCI.

Professional external valuers are involved for valuation of significant assets, such as freehold land & buildings and investment properties. Involvement of external valuers is determined annually by Management. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

4.1. Critical Accounting Judgements

(a) Construction contracts

Identifying performance obligation in contracts

The Group provides construction services to its customers. The Group has established that it has one performance obligation in its contracts with its customers. The Group performs several tasks within a single contract such as excavation works and use of its machineries and labour (including its quantity surveyors, contract managers and engineers) to build the asset. The Group has established that these tasks do not represent separate promises in the contract and are necessary for the completion of the promised asset to the customer and thus the Group has one performance obligation.

Determining the timing of satisfaction of construction services

The Group concludes that revenue for the construction contracts is to be recognised over time because:

(i) the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another Group would not need to re-perform the construction work completed by the Group demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

(ii) the Group's performance creates an asset that the customer controls as the asset is created.

(iii) the Group's performance does not create an asset with an alternative use to the Group and as per the contract terms the Group has an enforceable right to payment for the performance completed to date.

In all contracts entered by the Group and its customers, the Group performs construction works on land that is owned by the customers. Therefore, as the Group performs its obligations as per the contract, the customers receive and consume the benefits of the work that has been completed. In addition, since the customers own the land, the customers control the asset being created and the Group cannot sell the work that has been performed to other customers.

Revenue recognition

Revenue is recognised based on output method of individual contracts. The output methods recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The survey of work performed is believed to faithfully depict the entity's performance towards satisfaction of its performance obligation. The Group signs a bill of quantities (BOQ) with the customer and the contract terms stipulate that the Group can make monthly claim based on the amount of work that has been completed till date based on the prices and quantities that have been agreed in the BOQ. Based on what has been agreed with the customers, the Group determines that the output method is the best method for measuring revenue.

Contract variations

Contract variations are recognised as revenues to the extent that it is probable that they will result in revenue which can be reliably measured. The Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Loss making and onerous contracts

In determining whether a contract is loss making or onerous, management applies their professional judgement to assess the facts and circumstances specific to the relevant contract. The assessments are performed on a contract-by-contract basis. The following factors are taken into account: future estimated revenues (including claims and variations), the stage of completion, the nature and relationship with the customer, expected inflation, the terms of contract and the Company's experience in that industry.

(b) Revenue from lottery

The Group assesses its revenue arrangement on the operation of the lottery segment and determined that it is the principal as it controls the service before it is transferred to the customer. The primary responsibility for fulfilling the promise to provide the service toward the customers resides with the Group. The Group underwrites the jackpots and other prize money for the game and bears the risk associated with guaranteed jackpots. The Group is liable under the Civil Code should it default in making payment to the winners of the draw. The Group also bears the risk associated with prize pool and has no recourse to any other party in the event that it suffers losses in fulfilling its responsibilities under its gaming licence.

(c) Valuation of lease liabilities and right-of-use assets

The application of IFRS 16 requires the Group and the Company to make judgements that affect the valuation of the lease liabilities (note 15) and the valuation of right-of-use assets (notes 5 and 9). These include determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

The lease terms determined by the Group and the Company generally comprise non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group and the Company are reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group and the Company are reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets.

The present value of the lease payment is determined using the discount rate representing the rate of interest rate applicable for currency of the lease contract and for similar tenor, corrected by the average credit spread of entities with rating similar to the Group's rating, observed in the period when the lease contract commences or is modified.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

4.1. Critical Accounting Judgements Continued

(d) Investment in subsidiary companies

Determination whether the Group has de facto control over an investee. Subsidiaries are all entities, including structured entities, over which the group has control. The group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For entities where effective holding is less than 50%, management ensures that control is exercised through board representations.

(e) Investment in joint ventures

Significant judgements and assumptions are made in determining whether an entity has joint control and the type of joint arrangement. In considering the classification, management considers whether control exists, the nature and structure of the relationship and other facts and circumstances.

4.2. Key Sources of Estimation Uncertainty

(a) Construction cost estimates

The Group uses internal quantity surveyors together with project managers to estimate the costs to complete construction contracts. Factors such as escalation of material prices, labour costs and other costs are included in the construction cost estimates based on best estimates.

(b) Provision for expected credit losses of trade receivables and contract assets

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

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

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

(c) Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

(d) Investment properties and freehold land and buildings

The Group's investment properties and freehold land and buildings have been valued based on the valuation carried out by an independent valuer not related to the Group based on sales comparison method, depreciated replacement cost and income comparison approach.

(e) Determination of quantity of cement

The subsidiary, namely Kolos Cement Ltd, has a unique cement storing facilities which are sheds. Unlike vertical silos where there are level detectors where quantity can be reliably measured, sheds do not have such facilities. The subsidiary instead uses a volumetric measurement to estimate the quantity of cement in its sheds. This involves an element of judgement to cater for the absence of level detectors. Even if this methodology has proven to be reliable, there is a margin of error which is considered as tolerable.

(f) Post-employment 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 post-employment benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of post-employment benefits.

The actuary 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 post-employment benefits. In determining the appropriate discount rate, the actuary considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating the terms of the related post-employment benefits.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to 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 16.

(g) Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

5. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Leasehold Improvements Rs	Freehold Land and Buildings Rs	Plant and Machinery Rs	Motor Vehicles Rs	Furniture, Fittings and Equipment Rs	Right-of-Use Assets Rs	Work In Progress Rs	Total Rs
COST OR VALUATION								
At 1 January 2022	77,359,312	715,995,513	855,825,522	11,596,955	445,846,427	498,285,281	43,807,708	2,648,716,718
Additions	–	4,680,875	34,638,422	–	3,525,576	67,240,098	25,326,620	135,411,591
Capitalisation/reclassification	–	–	(32,304,512)	–	53,602,774	–	(21,298,262)	–
Termination/derecognition		–	–	–	–	(76,326,980)	–	(76,326,980)
Assets written off	–	–	–	–	(38,401,000)	–	–	(38,401,000)
Disposals	–	(564,296)	–	(194,747)	(260,070)	–	–	(1,019,113)
Exchange difference	–	–	(319,715)	–	(1,134,523)	(1,143,867)	(12,779)	(2,610,884)
Remeasurement		–	–	–	–	(480,379)	–	(480,379)
Revaluation adjustment	–	1,483,421	–	–	–	–	–	1,483,421
At 31 December 2022	**77,359,312**	**721,595,513**	**857,839,717**	**11,402,208**	**463,179,184**	**487,574,153**	**47,823,287**	**2,666,773,374**
Additions	**–**	**152,544**	**64,900,902**	**–**	**4,094,351**	**71,340,923**	**54,708,568**	**195,197,288**
Capitalisation/reclassification	**–**	**–**	**34,652,585**	**–**	**33,115,133**	**–**	**(67,767,718)**	**–**
Termination/derecognition	**–**	**–**	**–**	**–**	**–**	**(17,731,789)**	**–**	**(17,731,789)**
Transfer to inventories	**–**	**–**	**–**	**–**	**–**	**–**	**(869,544)**	**(869,544)**
Disposals	**(30,769,555)**	**–**	**–**	**–**	**(8,881,021)**	**–**	**–**	**(39,650,576)**
Exchange difference	**–**	**–**	**(1,092,751)**	**–**	**(113,081)**	**(693,275)**	**3,979**	**(1,895,128)**
Revaluation adjustment	**–**	**17,950,698**	**–**	**–**	**–**	**–**	**–**	**17,950,698**
At 31 December 2023	**46,589,757**	**739,698,755**	**956,300,453**	**11,402,208**	**491,394,566**	**540,490,012**	**33,898,572**	**2,819,774,323**
ACCUMULATED DEPRECIATION								
At 1 January 2022	71,265,329	–	538,575,378	10,988,813	401,758,502	137,347,995	–	1,159,936,017
Termination/derecognition	–	–	–	–	–	(50,096,396)	–	(50,096,396)
Assets written off	–	–	(36,090)	–	(38,191,272)	–	–	(38,227,362)
Charge for the year	771,927	26,632,715	39,736,800	165,594	20,339,881	50,043,033	–	137,689,950
Disposals	–	–	–	(194,748)	(260,070)	–	–	(454,818)
Exchange difference	528,782	–	(1,398,497)	–	(578,485)	(417,428)	–	(1,865,628)
Revaluation adjustment	–	(25,874,900)	–	–	–	–	–	(25,874,900)
At 31 December 2022	**72,566,038**	**757,815**	**576,877,591**	**10,959,659**	**383,068,556**	**136,877,204**	**–**	**1,181,106,863**
Termination/derecognition	**–**	**–**	**–**	**–**	**–**	**(7,786,609)**	**–**	**(7,786,609)**
Charge for the year	**730,249**	**29,491,065**	**35,072,308**	**80,331**	**23,919,100**	**59,437,978**	**–**	**148,731,031**
Disposal adjustments	**(30,769,555)**	**–**	**–**	**–**	**(8,864,871)**	**–**	**–**	**(39,634,426)**
Exchange difference	**–**	**–**	**(54,851)**	**–**	**(20,279)**	**(376,611)**	**–**	**(451,741)**
Revaluation adjustment	**–**	**(30,248,880)**	**–**	**–**	**–**	**–**	**–**	**(30,248,880)**
At 31 December 2023	**42,526,732**	**–**	**611,895,048**	**11,039,990**	**398,102,506**	**188,151,962**	**–**	**1,251,716,238**
NET BOOK VALUE								
At 31 December 2023	**4,063,025**	**739,698,755**	**344,405,405**	**362,218**	**93,292,060**	**352,338,050**	**33,898,572**	**1,568,058,085**
At 31 December 2022	**4,793,274**	**720,837,698**	**280,962,126**	**442,549**	**80,110,628**	**350,696,949**	**47,823,287**	**1,485,666,511**

5. PROPERTY, PLANT AND EQUIPMENT CONTINUED

(b) Company

	Freehold Land and Buildings Rs	Plant and Machinery Rs	Motor Vehicles Rs	Furniture, Fittings and Equipment Rs	Right-of-Use Assets Rs	Total Rs
COST OR VALUATION						
At 1 January 2022	329,900,000	2,804,616	2,895,000	16,861,447	31,388,506	383,849,569
Additions	828,812	–	–	863,340	–	1,692,152
Assets written off	(564,296)	–	–	–	–	(564,296)
Disposals	–	–	(127,522)	(260,070)	–	(387,592)
Remeasurement	–	–	–	–	(979,330)	(979,330)
Revaluation adjustment	635,484	–	–	–	–	635,484
At 31 December 2022	**330,800,000**	**2,804,616**	**2,767,478**	**17,464,717**	**30,409,176**	**384,245,987**
Additions	**152,545**	**–**	**–**	**1,769,991**	**7,511,639**	**9,434,175**
Assets written off	**–**	**–**	**–**	**(2,109,147)**	**–**	**(2,109,147)**
Revaluation adjustment	**14,877,455**	**–**	**–**	**–**	**–**	**14,877,455**
At 31 December 2023	**345,830,000**	**2,804,616**	**2,767,478**	**17,125,561**	**37,920,815**	**406,448,470**
ACCUMULATED DEPRECIATION						
At 1 January 2022	–	2,804,616	2,895,000	15,918,357	11,719,694	33,337,667
Charge for the year	3,305,196	–	–	818,945	3,735,084	7,859,225
Disposals	–	–	(127,522)	(260,070)	–	(387,592)
Revaluation adjustment	(3,305,196)	–	–	–	–	(3,305,196)
At 31 December 2022	**–**	**2,804,616**	**2,767,478**	**16,477,232**	**15,454,778**	**37,504,104**
Charge for the year	**3,054,506**	**–**	**–**	**840,472**	**4,665,189**	**8,560,167**
Assets written off	**–**	**–**	**–**	**(2,109,147)**	**–**	**(2,109,147)**
Revaluation adjustment	**(3,054,506)**	**–**	**–**	**–**	**–**	**(3,054,506)**
At 31 December 2023	**–**	**2,804,616**	**2,767,478**	**15,208,557**	**20,119,967**	**40,900,618**
NET BOOK VALUE						
At 31 December 2023	**345,830,000**	**–**	**–**	**1,917,004**	**17,800,848**	**365,547,852**
At 31 December 2022	**330,800,000**	**–**	**–**	**987,485**	**14,954,398**	**346,741,883**

The Directors have assessed that there is no impairment on Group's and the Company's Property, Plant and Equipment at 31 December 2023.

Freehold land and buildings of the Company and its subsidiaries were revalued on 31 December 2023 by Elevante Property Services Ltd, an independent valuer, based on the current open market values. Elevante Property Services Ltd is a member of the Royal Institute of Chartered Surveyors and The Directors are of the opinion that they have appropriate qualifications and recent experience in the valuation of freehold land and buildings in the relevant locations. The basis of valuation in estimating the fair value have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The fair value of freehold land was determined using the sales comparison approach, that reflects recent transaction prices for land and the depreciated replacement cost approach for buildings. The significant inputs include the estimated construction costs and other ancillary expenditure and depreciation factor applied to the estimated construction cost.

(c) Fair value hierarchy and sensitivity

Details of the Group's and Company's freehold land and buildings and information about the fair value hierarchy as at 31 December 2023 are as follows:

Reconciliation of carrying amount	GROUP Land Rs	GROUP Buildings Rs	COMPANY Land Rs	COMPANY Buildings Rs
Carrying amount as at 1 January 2022	274,200,000	441,795,513	257,300,000	72,600,000
Additions	–	4,680,875	–	828,812
Disposals	–	(564,296)	–	(564,296)
Depreciation	–	(26,632,715)	–	(3,305,196)
	274,200,000	419,279,377	257,300,000	69,559,320
Revaluation gain as at 31 December 2022	8,500,000	18,858,321	8,300,000	(4,359,320)
Carrying amount as at 1 January 2023	**282,700,000**	**438,137,698**	**265,600,000**	**65,200,000**
Additions	**–**	**152,544**	**–**	**152,545**
Depreciation	**–**	**(29,491,065)**	**–**	**(3,054,506)**
	282,700,000	**408,799,177**	**265,600,000**	**62,298,039**
Revaluation gain	**13,300,000**	**34,899,578**	**13,300,000**	**4,631,961**
Carrying amount and fair value as at 31 December 2023	**296,000,000**	**443,698,755**	**278,900,000**	**66,930,000**

The buildings categorised into Level 3 of the fair value hierarchy, the following information is relevant:

Buildings	Valuation techniques	Significant unobservable inputs	Range	Fair value Group Rs	Fair value Company Rs
2023	**Depreciated replacement cost**	**Depreciation rate**	**25% to 75%**	**443,698,755**	**66,930,000**
2022	Depreciated replacement cost	Depreciation rate	28% to 65%	438,137,698	65,200,000

The valuation exercise is carried out by an independent valuer on an annual basis. The valuer uses a combination of the depreciated replacement cost approach and the sales comparison approach in estimating the property value. Factors such as physical deterioration and obsolescence are considered. Also, the valuer compares the property with similar properties recently sold on the open market.

Sensitivity analysis

Increase/(decrease) in replacement cost per square metre by 1% in isolation would result in a higher/(lower) fair value on a linear basis.

	Valuation techniques	Significant unobservable inputs	Sensitivity +1% / -1% 2023	Sensitivity +1% / -1% 2022
Group				
Buildings	Depreciated replacement cost	Depreciation	**4,436,988**	4,381,377
Company				
Buildings	Depreciated replacement cost	Depreciation	**669,300**	652,000

The freehold land categorised into Level 2 (2022: level 2) of the fair value hierarchy, the following information is relevant:

Freehold Land	Valuation techniques	Significant observable inputs	Range	Fair value Group Rs	Fair value Company Rs
2023	**Sales comparison approach**	**Price per square metre**	**Rs 849 - Rs 15,266**	**296,000,000**	**278,900,000**
2022	Sales comparison approach	Price per square metre	Rs 849 - Rs 4,730	282,700,000	265,600,000

Increase/(decrease) in the price per square metre would result in higher/(lower) fair value on a linear basis respectively.

5. PROPERTY, PLANT AND EQUIPMENT CONTINUED

(d) Had the land and buildings owned by the Group and Company been measured on a historical basis, their carrying value would have been as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Freehold land and buildings	**278,506,029**	297,321,231	**76,727,640**	77,504,994

(e) Assets pledged as security

Property, plant and equipment amounting to Rs 121M have been pledged as security for bank facilities granted to the Group (Note 14).

(f) Assets written off

Assets are written off when they are either damaged and not in a state to be used, or redundant and no more usable by the Group. These are written off.

(g) Right-of-use assets

Group and Company as Lessee

Group	Land & Buildings Rs	Plant and Machinery Rs	Motor Vehicles Rs	Total Rs
At 1 January 2022	322,025,685	8,939,525	29,972,076	360,937,286
Additions	53,855,283	7,782,676	5,602,139	67,240,098
Depreciation for the year	(30,815,862)	(5,657,036)	(13,570,135)	(50,043,033)
Derecognition of right-of-use asset	(24,781,810)	(1,448,774)	–	(26,230,584)
Remeasurement	(480,379)	–	–	(480,379)
Exchange difference	(345,027)	(381,412)	–	(726,439)
At 31 December 2022	**319,457,890**	**9,234,979**	**22,004,080**	**350,696,949**
Additions	**42,439,539**	**17,749,121**	**11,152,263**	**71,340,923**
Derecognition of right-of-use asset	**(8,776,840)**	**(413,962)**	**(754,378)**	**(9,945,180)**
Depreciation for the year	**(38,573,323)**	**(9,624,313)**	**(11,240,342)**	**(59,437,978)**
Exchange difference	**(316,664)**	**–**	**–**	**(316,664)**
At 31 December 2023	**314,230,602**	**16,945,825**	**21,161,623**	**352,338,050**

Company	Buildings Rs
At 1 January 2022	19,668,812
Remeasurement	(979,330)
Depreciation for the year	(3,735,084)
At 31 December 2022	**14,954,398**
Additions	**7,511,639**
Depreciation for the year	**(4,655,189)**
At 31 December 2023	**17,800,848**

Description of lease activities

Land and buildings

The Group and Company lease land and buildings for their offices and warehouses. The leases are for a period of 3 years for the Company and 3 to 40 years for the Group including renewal period at the option of the Group.

Plant and machinery, and motor vehicles

The Group leases plant and machinery like forklifts which are used in the operations and motor vehicles which are used by employees to attend construction sites and customers. The leases are for a period ranging from 2 to 4 years with no extension option.

Derecognition of right-of-use asset

The right-of-use asset on leased land and buildings were derecognised as a result of the option for renewal not being exercised by the Group which was taken into consideration on initial assessment.

The directors are of the opinion that the Rights of use assets have not been impaired at 31 December 2023.

6. INTANGIBLE ASSETS

(a) Group

	Goodwill & Other Intangibles Rs	Computer Software Rs	Total Rs
COST			
At 1 January 2022	882 101 816	155 476 825	1 037 578 641
Additions	–	34 602 058	34 602 058
Foreign exchange difference	–	54 827	54 827
Other movements	–	(111 169)	(111 169)
At 31 December 2022	**882 101 816**	**190 022 541**	**1 072 124 357**
Additions	**–**	**40 723 687**	**40 723 687**
Assets written off	**–**	**(3 729 433)**	**(3 729 433)**
Foreign exchange difference	**–**	**(31 716)**	**(31 716)**
At 31 December 2023	**882 101 816**	**226 985 079**	**1 109 086 895**
ACCUMULATED AMORTISATION/IMPAIRMENT			
At 1 January 2022	131,041,916	20,712,978	151,754,894
Charge for the year	–	18,706,458	18,706,458
Exchange difference	–	(104,313)	(104,313)
At 31 December 2022	**131,041,916**	**39,315,123**	**170,357,039**
Charge for the year	**–**	**20,373,230**	**20,373,230**
Assets written off	**–**	**(3,002,212)**	**(3,002,212)**
Exchange difference	**–**	**(20,232)**	**(20,232)**
At 31 December 2023	**131,041,916**	**56,665,909**	**187,707,825**
NET BOOK VALUE			
At 31 December 2023	**751,059,900**	**170,319,170**	**921,379,070**
At 31 December 2022	**751,059,900**	**150,707,418**	**901,767,318**

Significant intangibles assets

The Group holds computer software which are amortised over a period of 5 years.

(b) Company

	Computer Software Rs
COST	
At 1 January 2022	**5,453,930**
Additions	**248,400**
At 31 December 2022	**5,702,330**
Additions	**453,223**
Assets written off	**(1,763,864)**
At 31 December 2023	**4,391,689**
ACCUMULATED AMORTISATION	
At 1 January 2022	4,241,486
Charge for the year	620,022
At 31 December 2022	**4,861,508**
Charge for the year	**859,828**
Assets written off	**(1,763,864)**
At 31 December 2023	**3,957,472**
NET BOOK VALUE	
At 31 December 2023	**434,217**
At 31 December 2022	840,822

The directors are of the opinion that the Intangible Assets have not been impaired at 31 December 2023.

6. INTANGIBLE ASSETS CONTINUED

Group

Goodwill and other intangibles acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill and other intangibles, which represent the excess consideration paid between the purchase price and net assets acquired, had been allocated as follows:

	2023 Rs	2022 Rs
Investment and Corporate Services & Others – Investment CGU	**751,059,900**	751,059,900

The Group tests goodwill and other intangibles annually for impairment, or more frequently if there are indications that goodwill might be impaired.

At 31 December 2023, based on the impairment tests, management determined that its Investments to which goodwill and other intangibles had been allocated had not been impaired.

Goodwill and other intangibles are allocated to the cash generating units. The main basis and assumptions used for impairment testing and the entities to which the carrying amount of goodwill are allocated are as follows:

		2023		2022
		Rs	Rs	Rs
	Basis of Impairment	**Recoverable Amount**	**Carrying Amount**	**Carrying Amount**
Pool Joseph Merven Ltd	Discounted cash flow	**25,167,000**	**23,253,140**	23,253,140
Kolos Cement Ltd	Share price on Stock Exchange	**4,195,800,000**	**727,806,760**	727,806,760
		4,220,967,000	**751,059,900**	751,059,900

The total amount of goodwill and other intangibles have been assessed as having indefinite useful life as the Group continues to derive benefits from its CGU's for which Goodwill is allocated. Goodwill and other indefinite intangibles attributable to Pool Joseph Merven Ltd comprise the value of expected synergies arising from the acquisition and a licence in 2019. The licence and the synergies were not separately recognised due to the high level of uncertainty involved in the fair valuation of the licence under IAS 38.

Main assumptions used for value in use of Pool Joseph Merven Ltd for the financial year 2023:

(i) the forecasts are based on the digital transformation that started in 2022 and is in progress.

(ii) the expected future net cash flows for five years have been discounted by 13.29% based on cost of equity.

(iii) a 5-year projection was made based on yearly increase of 12% in operations and long term growth of 5%.

The goodwill attributable to Kolos Cement Ltd, which is significant compared to the total carrying amount of goodwill, have been tested for impairment based on its fair value less costs of disposal. The fair value are based on the share price of Kolos Cement Ltd, which is listed on the Development Enterprise Market of the Stock Exchange of Mauritius based on the effective shareholding in Kolos Cement Ltd. Additional impairment tests are done based on the discounted future cash flows and no indication of impairment for the for the year (2022: Nil). The fair value for Kolos Cement Ltd is categorised under level-1 fair value hierarchy.

7. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2023 Rs	2022 Rs
At 1 January		
Additions	**1,580,721,262**	1,579,043,259
Net cash movement during the year - non-current amount due from subsidiaries	**42,448,000**	–
Reclassification from Current Amount due to Subsidiaries	**22,363,073**	15,516,635
Impairment of investment in shares	**1,612**	–
(Net impairment loss)/reversal of net impairment loss recognised on non-current amount due from subsidiaries	**(306,909)**	(33,264,700)
At 31 December	**(4,451,758)**	19,426,068
	1,640,775,280	1,580,721,262

(a) The subsidiaries (direct and indirect) of the Company as at 31 December 2023 are as follows:

	Activity	Class of Shares Held	Carrying Value of Investment		Effective % Holding	
			2023	2022	2023	2022
			Rs	Rs	Rs	Rs
Accacias Co Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
A.S. Burstein Management Ltd	Lottery	Ordinary	**–**	–	**100.0%**	100.0%
Bitumen Storage Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Boron Investments Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
BR Capital Ltd	Property investment	Ordinary	**–**	–	**100.0%**	100.0%
BR Hotel Resorts Ltd	Property investment	Ordinary	**–**	–	**100.0%**	100.0%
Broadgate Holding Ltd	Wound up	Ordinary	**–**	–	**–**	100.0%
Burford Development Ltd	Dormant	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Burford Investments Ltd	Property investment	Ordinary	**–**	–	**100.0%**	100.0%
Burford Property Ltd	Property investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Burford Realty Ltd	Property investment	Ordinary	**–**	–	**100.0%**	100.0%
Cement Logistics Ltd	Cement	Ordinary	**–**	–	**74.0%**	74.0%
Centreview Development Ltd	Property investment	Ordinary	**25,000**	25,000	**100.0%**	100.0%
Fortune Games Pte. Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Gamma Asia Construction Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Gamma Asia Investment Pte. Ltd	Investment	Wound up	**–**	–	**0.0%**	99.0%
Gamma Capital Ltd	Investment	Ordinary	**105,164,595**	105,164,180	**100.0%**	100.0%
RedCircle Investment Ltd (Previously Gamma Cement Holdco Ltd)	Dormant	Ordinary	**–**	1,000	**100.0%**	100.0%
Gamma Cement Ltd	Investment	Ordinary	**363,313,290**	1,000,000	**100.0%**	100.0%
Gamma Corporate Services Ltd	Secretarial services	Ordinary	**–**	25,000	**100.0%**	100.0%
Gamma-Civic Construction Holdings Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
Gamma-Civic Construction Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Gamma-Civic Hotel Holdings Ltd	Investment	Ordinary	**57,187,000**	25,000	**100.0%**	100.0%
Gamma Construction Ltd	Construction	Ordinary	**106,000,000**	106,000,000	**100.0%**	100.0%
Gamma Energy Holdings Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
Gamma Energy Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Green Sparrow International Ltd (Previously Gamma FinTech Holding Ltd)	Dormant	Ordinary	**–**	25,000	**100.0%**	100.0%
Gamma International Management Pte. Ltd	Dormant	Ordinary	**216,491**	472,400	**100.0%**	100.0%
Gamma Land Ltd	Investment	Ordinary	**1,000,000**	1,000,000	**100.0%**	100.0%
GammaTech Ltd	I.T Application	Ordinary	**–**	–	**100.0%**	100.0%
Gamma Treasury Management Limited	Treasury	Ordinary	**1,000,000**	1,000,000	**100.0%**	100.0%
Gammafin Resource Management Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Gamma Leisure Ltd	Investment	Ordinary	**15,021,000**	50,000	**100.0%**	100.0%

7. INVESTMENTS IN SUBSIDIARIES CONTINUED

(a) The subsidiaries (direct and indirect) of the Company as at 31 December 2022 are as follows: continued

	Activity	Class of Shares Held	Carrying Value of Investment		Effective % Holding	
			2023	2022	2023	2022
			Rs	Rs	Rs	Rs
Govenland Co Ltd	Property investment	Ordinary	**–**	–	**49.0%**	49.0%
Glot Holdings (Mauritius) Ltd	Investment	Ordinary	**99,000**	99,000	**99.0%**	99.0%
Glot Management Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
Infina Investment Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Insignia Leisure Resorts Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Kolos Building Materials Ltd	Cement	Ordinary	**–**	–	**74.0%**	74.0%
Kolos Cement Ltd	Cement	Ordinary	**–**	–	**74.0%**	74.0%
Kolos International Ltd	Cement	Ordinary	**–**	–	**74.0%**	62.9%
Kolos Madagascar SA	Cement	Ordinary	**–**	–	**73.6%**	62.5%
Insignia Resorts Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Lottotech Ltd	Lottery	Ordinary	**–**	–	**56.1%**	56.1%
Loterie Vert Ltd	Lottery	Ordinary	**–**	–	**56.1%**	56.1%
Ludgate Investments Ltd	Dormant	Ordinary	**33,139,000**	–	**100.0%**	100.0%
Maurilot Investments Ltd	Investment	Ordinary	**12,281,000**	50,000	**100.0%**	100.0%
Natlot Investments Ltd	Investment	Ordinary	**24,901,000**	10,050,000	**100.0%**	100.0%
Osterley Investments Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Pool Joseph Merven Limited	Lottery	Ordinary	**–**	–	**56.1%**	56.1%
Princegate Holdings Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
Reel Mada SA (In process of liquidation)	Dormant	Ordinary	**–**	–	**65.0%**	65.0%
Regency Realty Ltd	Dormant	Ordinary	**–**	–	**100.0%**	100.0%
RHT Media Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
Star Cement Ltd	Investment	Ordinary	**–**	–	**100.0%**	100.0%
Traxx Ltd	Trading	Ordinary	**–**	–	**100.0%**	100.0%
Westbourne Properties Ltd	Property investment	Ordinary	**9,309,000**	–	**100.0%**	100.0%
Westview Realty Ltd	Property investment	Ordinary	**582,169,000**	100,000	**100.0%**	100.0%
			1,310,875,376	225,136,580		
Non-current amounts due from Subsidiaries - Note 7(c)			**329,899,904**	1,355,584,682		
			1,640,775,280	1,580,721,262		

The Non-current amounts due from subsidiaries classified as Non-current assets are unsecured and management does not intend to recall any amount in the foreseeable future. These amounts are in substance an extension of the equity investments in these subsidiaries so that the amounts are stated at nominal value.

Non-current amounts due from subsidiaries amounting to Rs 4M have been impaired during the year (2022: Impairment Rs 1M and reversal of impairment Rs 21M). Impairment test is carried out for all subsidiaries by first comparing the Company's investment against the net assets of the subsidiaries. Additionally, cash flow forecasts of subsidiaries are taken into account when carrying impairment test. Where the investment value is greater than the net assets of the subsidiaries, and there is no indication that the subsidiaries will generate positive cash flow in the foreseeable future, the investment value is impaired up to the net assets amount. The impairment during the year refers to additional investments in subsidiaries to cover their fixed costs. There is no immediate indication of these subsidiaries generating positive cash flows. The Directors consider that the Net Assets Value equals to the Fair value less cost of disposal. The fair value is considered as being a level-3 in the fair value hierarchy.

(b) Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Place of Incorporation and Operation	Number of Wholly-owned Subsidiaries	
		2023	2022
Construction	Mauritius	**1**	1
Dormant	Mauritius	**17**	16
Dormant	Singapore	**2**	2
I.T Application	Mauritius	**1**	1
Investment	Mauritius	**13**	14
Lottery	Mauritius	**1**	1
Property investment	Mauritius	**8**	8
Secretarial services	Mauritius	**1**	1
Treasury	Mauritius	**1**	1
Trading	Mauritius	**1**	1
		46	46

Principal Activity	Place of Incorporation and Operation	Number of non Wholly-owned Subsidiaries	
		2023	2022
Cement	Mauritius	**4**	4
Cement	Madagascar	**1**	1
Dormant	Mauritius	**2**	2
Investment	Mauritius	**1**	1
Lottery	Mauritius	**3**	3
Property investment	Mauritius	**1**	1
		12	12

(c) Non-current amount due from subsidiaries

	COMPANY	
	2023 Rs	2022 Rs
At 1 January	**1,355,584,682**	1,320,641,979
Reclassification from Current Amount due to Subsidiaries	**1,612**	–
Net cash movement during the year	**22,363,073**	15,516,635
Conversion to Equity shares	**(1,072,546,705)**	–
Transfer of impairment loss on conversion to Equity shares	**28,949,000**	–
(Net impairment loss) /reversal of net impairment loss recognised on non-current amount due from subsidiaries	**(4,451,758)**	19,426,068
At 31 December (quasi equity aggregated into investment in subsidiaries - Note 7 (a))	**329,899,904**	1,355,584,682

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7. INVESTMENTS IN SUBSIDIARIES CONTINUED

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material Non-controlling interests:

Name of Subsidiary	Place of Incorporation and Principal Place of Business	Proportion of Ownership Interests and Voting Rights held by Non-controlling Interests		Profit/(Loss) allocated to Non-controlling Interests		Accumulated Non-controlling interests	
		2023	2022	2023	2022	2023	2022
				Rs	Rs	Rs	Rs
Lottotech Ltd	Mauritius	**43.9%**	43.9%	**65,945,742**	67,346,233	**79,353,877**	89,324,800
Kolos Cement Ltd	Mauritius	**26.0%**	26.0%	**23,253,232**	29,791,902	**140,643,292**	124,391,659
Kolos Madagascar SA	Madagascar	**26.4%**	37.5%	**(33,786,132)**	(32,472,150)	**(47,750,758)**	(36,214,480)
Individually immaterial subsidiaries with non-controlling interests				**8,939,440**	3,495,401	**10,787,194**	5,237,219
				64,352,282	68,161,386	**183,033,605**	182,739,198

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra group eliminations.

Lottotech Ltd

	2023	2022
	Rs	Rs
Current assets	**291,048,786**	526,033,318
Non-current assets	**314,659,182**	314,095,891
Current liabilities	**(379,961,251)**	(518,238,987)
Non-current liabilities	**(44,901,729)**	(118,157,203)
Equity attributable to owners of the Company	**101,491,111**	114,408,219
Non-controlling interests	**79,353,877**	89,324,800

	2023	2022
	Rs	Rs
Revenue	**1,515,682,694**	1,477,545,176
Expenses	**(1,365,392,711)**	(1,324,063,480)
Profit for the year	**150,289,983**	153,481,696
Profit attributable to the owners of the Company	**84,344,241**	86,135,463
Profit attributable to the non-controlling interests	**65,945,742**	67,346,233
Profit for the year	**150,289,983**	153,481,696
Other comprehensive loss attributable to the owners of the Company	**(1,855,765)**	(1,077,871)
Other comprehensive loss attributable to non-controlling interests	**(1,450,955)**	(842,749)
Dividend paid to non-controlling interests	**(74,594,300)**	(55,199,782)
Cash flows from operating activities	**55,958,609**	313,846,786
Cash flows from investing activities	**(40,772,347)**	(50,597,775)
Cash flows from financing activities	**(257,885,941)**	(146,235,614)
Net cash (outflow)/inflow	**(242,699,679)**	117,013,397

Kolos Cement Ltd

	2023	2022
	Rs	Rs
Current assets	**812,772,197**	540,448,834
Non-current assets	**783,244,302**	767,651,280
Current liabilities	**(797,462,228)**	(575,115,976)
Non-current liabilities	**(257,618,531)**	(254,554,681)
Equity attributable to owners of the Company	**400,292,448**	354,037,798
Non-controlling interests	**140,643,292**	124,391,659

	2023	2022
	Rs	Rs
Revenue	**2,245,032,836**	1,923,046,746
Expenses	**(2,155,597,327)**	(1,808,462,508)
Profit for the year	**89,435,509**	114,584,238
Profit attributable to the owners of the Company	**66,182,277**	84,792,336
Profit attributable to the non-controlling interests	**23,253,232**	29,791,902
Profit for the year	**89,435,509**	114,584,238
Other comprehensive income attributable to the owners of the Company	**14,948,568**	14,099,956
Other comprehensive income attributable to non-controlling interests	**5,252,200**	4,954,039
Dividend paid to non-controlling interests	**(12,425,400)**	(31,028,400)
Cash flows from operating activities	**(169,626,452)**	95,631,417
Cash flows from investing activities	**(25,271,074)**	(36,758,955)
Cash flows from financing activities	**(76,333,347)**	(131,109,864)
Net cash outflow	**(271,230,873)**	(72,237,402)

7. INVESTMENTS IN SUBSIDIARIES CONTINUED

(d) Details of non-wholly owned subsidiaries that have material non-controlling interests continued

Kolos Madagascar SA

	2023 Rs	2022 Rs
Current assets	**44,131,866**	151,534,747
Non-current assets	**60,869,458**	25,592,743
Current liabilities	**(285,439,036)**	(271,707,304)
Non-current liabilities	**(3,219,050)**	(1,889,233)
Equity attributable to owners of the Company	**(135,906,004)**	(60,254,567)
Non-controlling interests	**(47,750,758)**	(36,214,480)

	2023 Rs	2022 Rs
Revenue	**270,063,281**	490,605,796
Expenses	**(367,161,570)**	(577,105,928)
Loss for the year	**(97,098,289)**	(86,500,132)
Loss attributable to the owners of the Company	**(63,312,157)**	(54,027,982)
Loss attributable to the non-controlling interests	**(33,786,132)**	(32,472,150)
Loss for the year	**(97,098,289)**	(86,500,132)
Other comprehensive income attributable to the owners of the Company	**5,889,066**	6,553,368
Other comprehensive income attributable to non-controlling interests	**2,069,131**	2,302,535
Dividend paid to non-controlling interests	**–**	–
Cash flows from operating activities	**47,076,908**	(68,770,296)
Cash flows from investing activities	**(20,546,459)**	(1,748,542)
Cash flows from financing activities	**(10,647,083)**	(4,812,281)
Net cash inflow/(outflow)	**15,883,366**	(75,331,119)

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(a) Group

	Associates		Joint Ventures		Total	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**483,452,597**	418,551,921	**562,304,688**	423,999,690	**1,045,757,285**	842,551,611
Additions	**–**	–	**22,665,378**	73,774,012	**22,665,378**	73,774,012
Conversion of bonds (Note 10)	**–**	–	**156,911,144**	–	**156,911,144**	–
Share of profit	**74,949,757**	101,087,243	**184,134,925**	124,729,491	**259,084,682**	225,816,734
Revaluation surplus of property, net of deferred tax	**39,608,972**	6,318,897	**9,473,736**	–	**49,082,708**	6,318,897
Dividend received	**(50,641,156)**	(42,500,000)	**(130,098,632)**	(56,716,240)	**(180,739,788)**	(99,216,240)
Remeasurement of retirement benefit obligations, net of deferred tax	**(322,316)**	(5,464)	**104,580**	(3,482,265)	**(217,736)**	(3,487,729)
Foreign exchange difference	**–**	–	**(6,168,665)**	–	**(6,168,665)**	–
At 31 December	**547,047,854**	483,452,597	**799,327,154**	562,304,688	**1,346,375,008**	1,045,757,285

Company

	Associates		Joint Ventures		Total	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**11,180,640**	11,180,640	**115,839,012**	42,065,000	**127,019,652**	53,245,640
Additions	**–**	–	**22,665,378**	73,774,012	**22,665,378**	73,774,012
Conversion of bonds (Note 10)	**–**	–	**156,911,144**	–	**156,911,144**	–
At 31 December	**11,180,640**	11,180,640	**295,415,534**	115,839,012	**306,596,174**	127,019,652

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8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES CONTINUED

(b) The following are the associates of the Company:

Name	Activity	Class of Shares Held	Place of Business	Effective % Holding 2023 Rs	Effective % Holding 2022 Rs	% of Voting Power Held 2023 Rs	% of Voting Power Held 2022 Rs
Morning Light Co. Ltd	Hotel	Ordinary	Mauritius	**25.3%**	25.3%	**25.3%**	25.3%
Viva Voce Limitee	Media	Ordinary	Mauritius	**25.7%**	25.7%	**25.7%**	25.7%
Jasiri Investment Ltd	Investment Holding	Ordinary	Mauritius	**50%**	50%	**50%**	50%
CG Re (Africa) Ltd	Re-Insurance broking	Ordinary	Mauritius	**50%**	50%	**50%**	50%
CG Re (Africa) (Proprietary) Limited	Re-Insurance broking	Ordinary	Botswana	**50%**	50%	**50%**	50%
Moon Craft Ltd	Investment Holding	Ordinary	Mauritius	**–**	30%	**–**	30%
Bastion Fort Ltd	I.T application Development	Ordinary	Mauritius	**–**	30%	**–**	30%
IAME Limited	I.T application Development	Ordinary	Mauritius	**–**	30%	**–**	30%
Mobi Move Ltd	I.T application Development	Ordinary	Mauritius	**0%**	30%	**–**	30%

Moon Craft Ltd, Bastion Fort Ltd and IAME Limited were wound up during the year. Mobi Move Ltd was disposed of during the year against no proceeds. These companies were previously fully impaired.

Details of the investment in the joint ventures are as follows:

Name	Activity	Class of Shares Held	Place of Business	Effective % Holding 2023 Rs	Effective % Holding 2022 Rs	% of Voting Power Held 2023 Rs	% of Voting Power Held 2022 Rs
Gamma Materials Ltd	Building Materials	Ordinary	Mauritius	**50%**	50%	**50%**	50%
LudWin Group SAS	Gaming Technology	Ordinary	France	**51%**	19.99%	**51%**	20%

(c) Summarised financial information in respect of each of the Group's material associates and joint ventures is set out below. The summarised financial information below represents amount shown in the associates' and joint-ventures' financial statements prepared in accordance with IFRSs.

Figures for Associates include Morning Light Co. Ltd and Jasiri Investments Ltd group. Figures for Joint Ventures represent Gamma Materials Ltd and LudWin Group SAS.

	Associates 2023 Rs	Associates 2022 Rs	Joint Ventures 2023 Rs	Joint Ventures 2022 Rs	Total 2023 Rs	Total 2022 Rs
Total Assets	**3,180,654,879**	2,194,343,031	**2,110,432,314**	2,092,331,746	**5,291,087,193**	4,286,674,777
Total Liabilities	**(1,741,837,540)**	(914,654,119)	**(1,058,277,952)**	(1,308,092,368)	**(2,800,115,492)**	(2,222,746,487)
Net Assets	**1,438,817,339**	1,279,688,912	**1,052,154,363**	784,239,378	**2,490,971,702**	2,063,928,290
Group's Share of Associates' and Joint Ventures' Net Assets and Goodwill	**546,937,497**	483,518,225	**799,327,154**	562,304,688	**1,346,264,651**	1,045,822,913
Revenue	**629,822,393**	875,157,613	**2,888,830,842**	2,490,518,087	**3,518,653,235**	3,365,675,700
Profit for the Year	**99,698,157**	225,271,988	**368,919,211**	246,019,618	**468,617,368**	471,291,606
Total Comprehensive Income	**255,006,088**	250,206,557	**388,075,843**	239,055,088	**643,081,931**	489,261,645
Group's Share of Associates' and Joint Ventures' Profit for the Year	**69,035,667**	98,247,881	**182,771,224**	124,729,491	**251,806,891**	222,977,371
Group's Share of Associates' and Joint Ventures' Total Comprehensive Income for the Year	**108,322,323**	104,558,820	**192,349,540**	124,081,909	**300,671,863**	228,640,729

Morning Light Co. Ltd

	2023 Rs	2022 Rs
Current assets - cash and cash equivalents	**33,211,288**	117,282,835
Other current assets	**154,816,319**	82,744,327
Non-current assets	**2,617,932,600**	1,711,483,810
Current liabilities	**(362,796,032)**	(269,213,013)
Non-current liabilities	**(1,339,595,230)**	(604,119,620)

	2023 Rs	2022 Rs
Revenue	**307,933,004**	580,870,619
Depreciation and amortisation	**(64,752,792)**	(52,956,579)
Interest expense	**(34,770,713)**	(22,576,600)
Income tax credit	**20,419,644**	10,112,080
(Loss)/profit for the year	**(93,336,394)**	46,793,966
Other comprehensive income for the year	**155,459,117**	24,934,569
Total comprehensive loss for the year	**62,122,723**	71,728,535
Dividends received from the associate during the year	**–**	–

Reconciliation of the above summarised information to the carrying amount of the interest in Morning Light Co. Ltd recognised in the consolidated financial statements:

	2023 Rs	2022 Rs
Net assets in Associate	**1,103,568,945**	1,038,178,339
Proportion of the Group's ownership interest in Morning Light Co. Ltd	**25.3%**	25.3%
Share of net assets in associate	**279,313,300**	262,762,937
Carrying amount of the Group's interest in Morning Light Co. Ltd	**279,313,300**	262,762,937

Jasiri Investment Ltd

	2023 Rs	2022 Rs
Current assets - cash and cash equivalents	**232,169,718**	132,483,532
Other current assets	**138,603,065**	146,533,044
Non-current assets	**3,921,889**	3,815,482
Current liabilities	**(37,261,722)**	(39,060,515)
Non-current liabilities	**(2,184,556)**	(2,260,971)

	2023 Rs	2022 Rs
Revenue	**321,889,389**	294,286,994
Interest income	**4,376,913**	833,961
Profit for the year	**193,034,551**	178,478,022
Other comprehensive loss for the year	**(151,186)**	–
Total comprehensive income for the year	**192,883,365**	178,478,022
Dividends received from the associate during the year	**(50,000,000)**	(42,500,000)

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES CONTINUED

(d) Summarised financial information in respect of each of the Group's material associates and joint venture is set out below. The summarised financial information below represents amount shown in the associates' financial statements prepared in accordance with IFRSs continued

Jasiri Investment Ltd (formerly Square Mile Investment Nine Ltd) continued

Reconciliation of the above summarised information to the carrying amount of the interest in Jasiri Investment Ltd recognised in the consolidated financial statements:

	2023 Rs	2022 Rs
Net assets in associate	**335,248,394**	241,510,576
Proportion of the Group's ownership interest in Jasiri Investment Ltd	**50%**	50%
Share of net assets in associate	**167,624,197**	120,755,288
Goodwill on purchase	**100,000,000**	100,000,000
Carrying amount of the Group's interest in Jasiri Investment Ltd	**267,624,197**	220,755,288

The goodwill represents the excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the acquisition.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

At 31 December 2023, based on the impairment tests, the directors determined that goodwill that had been allocated to Jasiri Investment Ltd had not been impaired. The Group considers the relationship between the book value of the investment and the discounted forecasted cash flow forecast. The amount of recurring dividend income is also taken into consideration.

Gamma Materials Ltd

	2023 Rs	2022 Rs
Current assets - cash and cash equivalents	**141,081,927**	243,079,658
Other current assets	**553,222,776**	630,274,345
Non-current assets	**1,131,951,586**	898,103,229
Current liabilities	**(543,889,301)**	(598,876,982)
Non-current liabilities	**(195,634,735)**	(189,849,533)

	2023 Rs	2022 Rs
Revenue	**2,063,096,733**	2,184,535,730
Interest income	**1,898,630**	–
Interest expense	**(9,619,124)**	(9,824,212)
Depreciation and amortisation	**–**	–
Income tax credit/(expense)	**10,467,793**	(35,650,643)
Profit for the year	**345,042,168**	260,200,125
Other comprehensive income for the year	**19,156,632**	(6,964,530)
Total comprehensive Income for the year	**364,198,800**	253,235,595
Dividends received from the joint venture during the year	**(130,098,632)**	(56,716,240)

Reconciliation of the above summarised information to the carrying amount of the interest in Gamma Materials Ltd recognised in the consolidated financial statements:

	2023 Rs	2022 Rs
Net assets in joint venture	**1,086,732,253**	982,730,717
Proportion of the Group's ownership interest in Gamma Materials Ltd	**50%**	50%
Share of net assets in joint venture	**543,366,127**	491,365,359
Carrying amount of the Group's interest in Gamma Materials Ltd	**543,366,127**	491,365,359

LudWin Group SAS

	2023 Rs	2022 Rs
Current assets - cash and cash equivalents	**82,090,379**	36,854,539
Other current assets	**151,746,016**	210,065,831
Non-current assets	**50,339,630**	73,954,144
Current liabilities	**(269,702,608)**	(326,532,550)
Non-current liabilities	**(49,051,308)**	(192,833,304)
Equity attributable to owners of the Company	**(14,589,358)**	(198,491,339)
Non-controlling interests	**(19,988,532)**	–

	2023 Rs	2022 Rs
Revenue	**825,734,109**	305,982,357
Income tax expense	**(29,249,240)**	(12,939,444)
Depreciation and amortisation	**(18,900,881)**	(25,756,450)
Income tax expense	**(3,507,628)**	(3,277,561)
Total comprehensive income/(loss) for the year	**11,510,794**	(14,180,507)
Total comprehensive income/(loss) for the year attributable to owners of the Company	**23,877,043**	(15,762,493)
Total comprehensive (loss)/income for the year attributable to Non-controlling interests	**(12,366,249)**	1,581,986

Reconciliation of the above summarised information to the carrying amount of the interest in LudWin Group SAS recognised in the consolidated financial statements:

	2023 Rs	2022 Rs
Net liabilities in joint venture attributable to owners	**(14,589,358)**	(198,491,339)
Proportion of the Group's ownership interest in LudWin Group SAS	**51.00%**	19.99%
Share of net liabilities in joint venture	**(7,440,573)**	(39,678,430)
Goodwill	**263,401,600**	110,617,759
Carrying amount of the Group's interest in LudWin Group SAS	**255,961,027**	70,939,329

During the year the Company exercised its right to convert bonds it previously subscribed into equity shares, bringing the shareholding to 51%. The investee is considered as a joint venture as per the terms of the shareholders' agreement.

At 31 December 2023, based on the impairment tests, the directors determined that goodwill that had been allocated to LudWin Group SAS had not been impaired. The Group considers the relationship between the book value of the investment and the discounted forecasted cash flow forecast.

Aggregate information of associates that are not individually material

	2023 Rs	2022 Rs
Net profit and total comprehensive income for the year	**7,277,791**	4,732,271
The Group's share of profit	**2,275,039**	2,839,363
Aggregate carrying amount of the Group's interests in these associates	**110,356**	(65,628)

Equity accounting has been applied and the Group's share of losses of associates recognised in the Group statements of profit or loss and other comprehensive income only to the extent of bringing the carrying amount of the investments in the respective associates down to zero. The associate which is not individually material to the Group and for which figures have been disclosed above is Viva Voce Ltee.

9. INVESTMENT PROPERTIES

	GROUP Total
	Rs
At 1 January 2022	1,243,395,926
Additions	109,822,976
Gain from fair value adjustment	126,076,823
At 31 December 2022	**1,479,295,725**
Reclassification from trade and other receivables (Note 12(a))	**1,874,999**
Additions	**10,577,437**
Gain/(loss) from fair value adjustment	**2,119,860**
At 31 December 2023	**1,493,868,021**

The fair value of the Group's investment properties as at 31 December 2023 has been arrived at on the basis of a valuation carried out on the respective dates by Elevante Property Services Ltd, an independent valuer not related to the Group. Elevante Property Services Ltd is member of the Royal Institute of Chartered Surveyors, and the directors determine that they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the sales comparison method and income capitalisation approach. The basis of valuation in estimating the fair values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

There has been no change to the valuation technique during the year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group rents leasehold land on which it has constructed office building and properties to be rented. The leases are for a remaining period of 11 to 46 years, with two land lease having an extension periods of 60 years.

	GROUP 2023	2022
	Rs	Rs
Rental income derived from investment properties	**29,631,959**	5,584,591
Direct operating expenses (including repairs and maintenance) generating rental income (included in administrative expenses)	**(6,108,171)**	(5,568,528)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in administrative expenses)	**(2,262,451)**	–
Profit arising from investment properties carried at fair value	**21,261,337**	16,063

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair Value Hierarchy of Investment Properties

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2023 and 2022 are as follows:

	Level 3	Fair value as at 31 December 2023
	Rs	Rs
Freehold building on leasehold land, freehold office units and leasehold site	**504,103,353**	**504,103,353**
Bare freehold land and buildings and other structures	**800,400,000**	**800,400,000**
Leasehold land - right-of-use assets	**189,364,668**	**189,364,668**
		1,493,868,021

	Level 3	Fair value as at 31 December 2022
	Rs	Rs
Freehold building on leasehold land, freehold office units and leasehold site	494,729,229	494,729,229
Bare freehold land and buildings and other structures	797,000,000	797,000,000
Leasehold land - right-of-use assets	187,566,496	187,566,496
		1,479,295,725

The investment properties categorised into Level 3 (2022: Level 3) of the fair value hierarchy, the following information is relevant:

	Valuation techniques	Significant observable inputs	Range 2023	2022
Freehold building on leasehold land	Income capitalisation approach	Rental growth	**3% - 5%**	5%
Freehold office units and leasehold site		Rental yield	**7.75 to 8.25%**	8.75 to 9%

Increase/(decrease) in the rental income would result in higher/(lower) fair value on a linear basis respectively.

	Valuation techniques	Significant observable inputs	Range 2023	2022
			Rs	Rs
Freehold Land	Sales comparison approach	Price per square metre	**Rs 907 - Rs 9,671**	Rs 849 - Rs 4,730

A 1% change in price per square metre of Freehold Land would result in change of the value by Rs 8M.

Notes to the Financial Statements Continued

10. OTHER FINANCIAL ASSETS

(a) Financial asset at fair value through profit or loss

	GROUP AND COMPANY	
	2023 Rs	2022 Rs
At 1 January	**142,160,670**	–
Additions	**–**	137,054,000
Interest accrued	**10,461,144**	5,106,670
Foreign exchange gain	**4,289,330**	–
Conversion of bonds to Investment in shares in Joint Venture (Note 8)	**(156,911,144)**	–
At 31 December	**–**	142,160,670

In 2022, the Company invested in convertible bonds in a French company, LudWin Group SAS ('LudWin'), at an interest rate of 5% p.a. During 2023, pursuant to the agreement with LudWin, the Company opted for conversion of the bonds into equity shares.

(b) Financial asset held at amortised cost

	GROUP AND COMPANY	
	2023 Rs	2022 Rs
At 1 January	**149,570,556**	–
Additions	**–**	150,000,000
Redemption	**(25,000,000)**	–
Interest accrued	**5,801,018**	2,442,336
Interest Received	**(6,340,574)**	(2,871,780)
At 31 December	**124,031,000**	149,570,556

The Company has invested in MCB Stockbrokers Limited Notes which carry interest at 5.35% per annum and mature in April 2028. No impairment was deemed to be provided on the financial asset.

(c) Disclosed as follows:

	GROUP AND COMPANY	
	2023 Rs	2022 Rs
Non-Current:	**–**	142,160,670
Financial asset at fair value through profit or loss	**124,031,000**	–
Financial asset held at amortised cost	**124,031,000**	142,160,670
Current:		
Financial asset at fair value through profit or loss	**–**	–
Financial asset held at amortised cost	**–**	149,570,556
	–	149,570,556

11. INVENTORIES

	GROUP	
	2023 Rs	2022 Rs
Raw materials	**243,831,754**	230,697,249
Stock in transit	**148,836,732**	11,249,773
Finished goods	**86,337,695**	105,658,382
	479,006,181	347,605,404

During the period cost of inventories recognised as expense in Profit or Loss amounts to Rs 1,885,176,470 (2022: Rs 1,605,477,146).

The cost of inventories recognised as expense includes Rs 5,875,245 in respect of write-downs (2022: Rs 4,967,996 reversal of provision for write-downs) of inventory to net realisable value.

Assets pledged as security

Inventories amounting to Rs 186M have been pledged as security for bank facilities granted to the Group (Notes 14 and 18).

12. CONTRACT ASSETS

	GROUP	
	2023 Rs	2022 Rs
Non-current assets		
Contracts retention	**6,084,279**	46,619,492
Advance to subcontractors	**–**	45,651
	6,084,279	46,665,143
Current assets		
Contract Assets	**255,337,519**	264,023,441
Expected credit losses	**(1,156,245)**	(1,293,271)
	254,181,274	262,730,170
Contracts retention	**180,792,975**	63,130,522
Advance to subcontractors	**73,452,941**	58,507,136
	508,427,190	384,367,828

The contract assets primarily relate to the amount that the Group will receive when the conditions attached to the construction contracts are met. Contract assets also include all contracts retention, advances paid to subcontractors and also applied receivables not yet certified.

Contracts retention are amounts invoiced but not paid until the conditions specified in the contract are fulfilled or until defects have been rectified. These balances are carried at amortised cost using an effective interest rate of 7.55% p.a (2022:7.55%).

Advance to subcontractors are amounts paid to subcontractors before the related works are performed..

In determining the recoverability of contract assets, the Group assesses its contractual rights and the terms and conditions of the agreements. The Group does not hold any collateral as security over these balances.

Balances of contract assets are assessed for expected credit losses.

Allowance for expected credit losses

31 December 2023

	Not yet due Rs	Low risk including Government bodies Rs	Medium risk Rs	High risk Rs
Estimated total gross carrying amount at default	199,366,036	53,958,692	1,687,545	325,246
Expected credit losses	(63,165)	(329,312)	(438,522)	(325,246)
Net carrying amount	199,302,871	53,629,380	1,249,023	–

12. CONTRACT ASSETS CONTINUED

31 December 2022

	Not yet due	Low risk including Government bodies	Medium risk	High risk
	Rs	Rs	Rs	Rs
Estimated total gross carrying amount at default	109,489,454	150,195,212	4,013,529	325,246
Expected credit losses	(95,131)	(163,579)	(709,315)	(325,246)
Net carrying amount	109,394,323	150,031,633	3,304,214	–

Allowance for expected credit losses

	GROUP	
	2023	2022
	Rs	Rs
At 1 January	1,293,271	7,393,890
Credit for the year	(137,026)	(6,100,619)
At 31 December	1,156,245	1,293,271

12(a). TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Trade receivables, net of allowance for expected credit losses	632,069,251	512,771,101	–	–
Amount due from associates and joint venture (note 28)	67,330,951	6,967,059	12,489,635	6,704,859
Other receivables and prepayments	121,059,254	170,862,812	26,986,068	58,048,350
	820,459,456	690,600,972	39,475,703	64,753,209

The carrying amount of trade and other receivables approximate their fair value.

The average contractual credit period on sales of goods is two months. Allowance for expected credit losses is determined by the Group using provision matrix. No interest is charged on the trade receivables. Management expects full recoverability of due balances which are neither past due nor impaired.

Prior tender submission decision for a contract, the Group assesses the financial strength and stability of the potential client. The Group bids for both private and government projects. Payment terms form part of the contract agreement whereby all conditions and entitlements of the contractor are listed. The client portfolio varies from year to year depending on which contracts are awarded at that time. Credit exposure to an individual counterparty is restricted by credit limit based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by Management.

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard. Outstanding customer receivables and contract assets are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on historical trend of different customer segments with similar loss patterns which are customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Other receivables balances for the Group and the Company includes Rs 15M (2022:Rs 64M) and Rs 15M (2022 : Rs 56M) respectively from a single customer, the Government of Mauritius, on compulsory acquisition of land.

Allowance for expected credit losses on trade receivables

Group

	Collectively assessed	Individually assessed	Total
	Rs	Rs	Rs
At 1 January 2022	14,704,691	26,806,653	41,511,344
Charge for the year	(5,025,449)	62,385,125	57,359,676
Write off	(916,329)	–	(916,329)
Foreign exchange difference	(137,552)	–	(137,552)
At 31 December 2022	8,625,361	89,191,778	97,817,139
Credit for the year	1,100,355	(69,313,614)	(68,213,259)
Charge for the year	1,032,651	–	1,032,651
Write off	(2,011,278)	–	(2,011,278)
Foreign exchange difference	33,860	–	33,860
At 31 December 2023	8,780,949	19,878,164	28,659,113

Company

	2023 and 2022
	Rs
At 1 January and 31 December - Individually assessed	325,482

Impairment loss (reversed)/recognised on trade receivables refers to allowances for expected losses as required by IFRS 9. The decrease in allowances for expected credit losses is mostly attributable to a customer whereby circumstances have changed following the refinancing of its project from banking institution. An amount of Rs 2,011,278 (2022: Rs 916,329) out of the balance of expected credit losses was written off during the year as uncollectible.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Group applies the IFRS 9 simplified approach to measuring the expected credit losses for other receivables and amounts due from related parties. Expected credit losses are calculated based on individual balances on a case to case basis.

The Group's Other receivables are assessed for expected credit losses individually on a case-by-case basis and no impairment was made during the year (2022: Rs nil).

Credit exposure on trade receivables

Group - 31 December 2023	Less than 30 days	31 - 60 days	61 - 90 days	More than 90 days
Expected credit loss rate (%)	0.03% - 0.08%	0.85% - 3.29%	4.38% - 10.11%	16% - 100%
	Rs	Rs	Rs	Rs
Estimated total gross carrying amount at default	448,788,786	74,697,961	3,005,097	134,236,520
Expected credit loss	(463,935)	(1,016,543)	(1,760,478)	(5,539,993)
Individually assessed	–	–	–	(19,878,164)
Net carrying amount	448,324,851	73,681,418	1,244,619	108,818,363

Group - 31 December 2022				
Expected credit loss rate (%)	0% - 0.7%	0.7% - 8.8%	1.7% - 6.3%	80.3% - 100%
	Rs	Rs	Rs	Rs
Estimated total gross carrying amount at default	223,871,554	95,609,589	143,065,068	148,042,029
Expected credit loss	(1,079,076)	(462,020)	(1,459,693)	(5,624,572)
Individually assessed	–	–	–	(89,191,778)
Net carrying amount	222,792,478	95,147,569	141,605,375	53,225,679

13. SHARE CAPITAL

	GROUP AND COMPANY	
	2023 Rs	2022 Rs
Authorised		
133,250,000 (2022: 133,250,000) Ordinary Shares of Rs 1 (2022: Rs 1) each	**133,250,000**	133,250,000
Issued and fully paid		
133,250,000 (2022: 133,250,000) Ordinary Shares of Rs 1 (2022: Rs 1) each	**133,250,000**	133,250,000

Fully paid ordinary shares have equal rights to vote, dividends and to the distribution of the surplus assets of the Company on winding up.

14. BORROWINGS

		GROUP		COMPANY	
		2023 Rs	2022 Rs	2023 Rs	2022 Rs
(a)	Loans repayable by instalments	**1,402,419,303**	1,666,016,741	**1,236,867,217**	1,318,312,845
	Less: amount due for settlement within one year (shown under current liabilities)	**(164,440,401)**	(267,404,374)	**(82,529,237)**	(83,125,069)
	Amount due for settlement after one year (shown under non-current liabilities)	**1,237,978,902**	1,398,612,367	**1,154,337,980**	1,235,187,776
(b)	Bank loans	**363,059,246**	626,060,392	**242,547,775**	323,397,111
	Bond liability	**994,319,442**	994,915,734	**994,319,442**	994,915,734
	Other loans	**45,040,615**	45,040,615	**–**	–
		1,402,419,303	1,666,016,741	**1,236,867,217**	1,318,312,845

(c) The loan due for settlement after one year are repayable as follows:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
After one year before two years	**110,943,967**	183,186,932	**80,849,795**	161,698,440
After two years before five years	**669,354,320**	472,785,435	**660,848,185**	330,849,336
After five years	**457,680,615**	742,640,000	**412,640,000**	742,640,000
	1,237,978,902	1,398,612,367	**1,154,337,980**	1,235,187,776

Bank loans amounting to Rs 120,511,471 and bond liability are secured by fixed and floating charges on the assets of the borrowing companies. The rates of interest of the bank loans are variable and range between 6.05% p.a. to 6.95% p.a. (2022: 5.90% p.a. to 7.50% p.a.). The rates of interest of the bond liability are partly variable and range between 5.75% p.a. to 5.85% p.a. (2022: 5.75% p.a. to 5.85% p.a), and partly fixed and range between 3.68% to 4.60% per annum. The loans include a total amount of Rs 45,040,615 (2022: Rs 45,040,615) which are unsecured, interest-free with no fixed repayment terms. The fair value of borrowings approximates their carrying amount.

15. LEASE LIABILITIES

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**260,598,396**	238,925,175	**16,728,862**	21,317,294
Accretion of interest	**18,767,608**	15,131,976	**1,036,060**	1,089,341
Additions	**71,340,923**	67,240,098	**7,511,639**	–
Remeasurement of liabilities	**–**	(480,379)	**–**	(979,330)
Termination	**(9,945,180)**	(13,623,560)	**–**	–
Repayments	**(74,080,366)**	(46,531,963)	**(5,704,334)**	(4,698,443)
Foreign exchange difference	**(325,371)**	(62,951)	**–**	–
Lease liabilities:	**266,356,010**	260,598,396	**19,572,227**	16,728,862
Less: amount due for settlement within one year (shown under current liabilities)	**(45,331,979)**	(36,179,927)	**(6,157,195)**	(3,825,037)
Amount due for settlement after one year (shown under non-current liabilities)	**221,024,031**	224,418,469	**13,415,032**	12,903,825

The lease liabilities in connection to property, plant & equipment relate to leasehold land and buildings, plant and machinery and motor vehicles with lease term ranging from 3 to 40 years including renewal period at the option of the Group. The lease liabilities pertaining to investment property represents bare leasehold land and leasehold land on which the Group has constructions erected. The leases are for a remaining period of 5 to 15 years, with extensions period of 60 years.

The following are the amounts recognised in profit or loss:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Depreciation of right-of-use assets	**59,437,978**	50,043,033	**4,665,189**	3,735,084
Interest expense on lease liabilities	**18,767,608**	15,131,976	**1,036,060**	1,089,341
Expense relating to short-term leases and low value assets	**2,536,929**	2,403,972	**–**	–
Loss on termination of lease	**–**	12,607,024	**–**	–
	80,742,515	80,186,005	**5,701,249**	4,824,425
Total cash outflows	**(74,080,366)**	(46,531,963)	**(5,704,334)**	(4,698,443)

16. RETIREMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan

The group and the Company participate in a multi-employer defined contribution (DC) pension plan to which it contributes 6%, 8% or 10% of its eligible employees' salaries depending on age. The assets of the plans are held separately from those of the Group and the Company in funds under the control of an independent management committee. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group and the Company are reduced by the amount of forfeited contributions. Any residual gratuities under the Workers' Rights Act 2019 for the qualifying employees after allowing for permitted deductions in respect of the pension plan are included below in the tables for the retirement benefits in respect of the Workers' Rights Act 2019.

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Amount recognised as expense for the defined contribution plan	**24,436,929**	20,525,536	**2,570,415**	2,336,741

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16. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

(b) Statutory retirement benefits in respect of the Workers' Rights Act 2019

The most recent actuarial valuation of the pension plans were carried out at 31 December 2023 by Aon Hewitt Ltd. The directors ensure the actuary is independent. The Group has recognised a net defined benefit liability of Rs 117,672,027 (Company: Rs 17,364,000) in its statement of financial position as at 31 December 2023 (2022: Group Rs 103,485,713 and Company: Rs 18,464,000) in respect of any additional retirement gratuities that are expected to be paid out of the Company's cashflow to its employees under the Workers' Rights Act (WRA) 2019 and in respect of any retirement gratuities for employees not covered by the pension plan.

Since 1 January 2022, employers are required to make contributions into the Portable Retirement Gratuity Fund (PRGF) for their employees who are not covered under any approved pension schemes. The Group has recognised estimated plan assets of Rs 10,188,046 (Company: Rs 618,000) as at 31 December 2023 (2022: Group Rs 4,855,000 and Company Rs 219,000) in respect of the accumulated contributions to PRGF for its employees.

The defined benefit liability exposes the Group to normal risks described below:

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.

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.

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

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

The Group had a residual obligation imposed by WRA 2019 on top of its DC plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for the negative past service cost due to change in the retirement gratuity formula (from 15/22 back to 15/26) for employees working 5-day weeks (assuming that the change in the retirement gratuity formula applies in respect of all service retrospectively for those employees retiring, dying or leaving on or after 1 July 2022).

(c) Reconciliation of net defined benefit liability

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Reconciliation of net defined benefit liability:				
At 1 January	**103,485,713**	71,684,858	**18,464,000**	12,175,000
Amount recognised in statement of profit or loss	**(5,144,981)**	40,424,552	**(1,248,000)**	6,504,000
Amount recognised in other comprehensive income	**27,265,402**	(356,979)	**578,000**	38,000
Less: employer contributions	**(7,934,107)**	(8,266,718)	**(430,000)**	(253,000)
At 31 December	**117,672,027**	103,485,713	**17,364,000**	18,464,000

(d) Reconciliation of fair value of plan assets

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**4,855,000**	–	**219,000**	–
Interest income	**461,000**	74,000	**27,000**	5,000
Employer contributions	**7,934,107**	8,266,718	**430,000**	253,000
Benefits paid	**(2,632,277)**	(3,411,718)	**(31,000)**	(34,000)
Return on plan assets excluding interest income	**(461,000)**	(74,000)	**(27,000)**	(5,000)
At 31 December	**10,156,830**	4,855,000	**618,000**	219,000

(e) Movement in the present value of the defined benefit obligation in the current year were as follows:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**108,340,713**	71,684,858	**18,683,000**	12,175,000
Current service cost	**16,772,748**	10,686,750	**1,729,000**	1,715,000
Interest expense	**6,696,610**	4,985,462	**1,051,000**	798,000
Past service cost	**(28,153,339)**	24,826,340	**(4,001,000)**	3,996,000
Benefits paid	**(2,632,277)**	(3,411,718)	**(31,000)**	(34,000)
Liability experience loss/(gain)	**6,057,402**	5,447,021	**(471,000)**	833,000
Liability loss/(gain) due to change in financial assumptions	**20,747,000**	(5,878,000)	**1,022,000**	(800,000)
At 31 December	**127,828,857**	108,340,713	**17,982,000**	18,683,000

(f) Amount recognised in statements of profit or loss in respect of defined benefit plans are as follows:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Current service cost	**16,772,748**	10,686,750	**1,729,000**	1,715,000
Past service cost	**(28,153,339)**	24,826,340	**(4,001,000)**	3,996,000
Interest expense	**6,235,610**	4,911,462	**1,024,000**	793,000
Amounts recorded in statements of profit or loss	**(5,144,981)**	40,424,552	**(1,248,000)**	6,504,000

(g) Components of amount recognised in other comprehensive Income:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Return on plan assets below interest income	**461,000**	74,000	**27,000**	5,000
Liability experience loss/(gain)	**6,057,402**	5,447,021	**(471,000)**	833,000
Liability loss/(gain) due to change in financial assumptions	**20,747,000**	(5,878,000)	**1,022,000**	(800,000)
Components of defined benefit costs recorded in other comprehensive income	**27,265,402**	(356,979)	**578,000**	38,000

The past service cost, the service cost and the net-interest expenses for the year is included in the employee benefits expenses in the statement of profit or loss and other comprehensive income. The remeasurement on the net defined benefit liability is included in other comprehensive income.

The allocation plan assets at the end of the period:

	GROUP AND COMPANY	
	2023 %	2022 %
Cash	**100**	100

Since no information is yet available on the investment mix of the PRGF, assumed 100% cash held.

16. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

(h) The principal assumptions used for the purposes of the actuarial valuation were as follows:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Discount rate	**4.6% to 6.7%**	6.6% to 6.7%	**5.3%**	6.6%
Expected rate of salary increase	**4.2% to 5.3%**	3.0% to 5.3%	**4.2%**	5.0%
Expected rate of pension increases	**0.0%**	0.0%	**0.0%**	0.0%
Average retirement age (ARA)	**60 / 65 years**	60 / 65 years	**60 / 65 years**	60 / 65 years

(i) Sensitivity analysis on defined benefit obligation at end of year

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Increase due to 1% decrease in discount rate	**24,174,172**	20,450,143	**2,108,000**	2,245,000
Decrease due to 1% increase in discount rate	**25,340,268**	20,908,345	**1,798,000**	1,924,000

(j) Future cash flows

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

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Expected employer contributions to PRGF and top-up benefits for the next year	**8,826,107**	6,925,000	**540,000**	513,000
Weighted average duration of the defined benefit obligation	**5 to 26 years**	10 to 27 years	**9 years**	10 years
CSG/NPS contributions expensed	**27,527,905**	11,157,755	**3,869,113**	2,428,437

17. TAXATION

(a) Income Tax

(i) The income tax expense for the year can be reconciled to the accounting profit as follows:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Profit before taxation	**517,137,038**	544,763,006	**245,882,660**	389,775,134
Tax at the above applicable rate (17%)	**87,913,296**	92,609,711	**41,800,052**	66,261,773
Tax effect of:				
Income not subject to tax	**(8,291,434)**	(38,927,047)	**(52,286,071)**	(90,561,303)
Underprovision in previous year	**262,187**	4,780,884	**576,776**	–
Expenses not deductible	**34,451,808**	37,991,053	**21,611,544**	28,175,576
Effect of using different tax rates	**2,821,505**	1,798,645	**–**	–
Tax losses for which no deferred tax recognised	**1,102,235**	4,113,908	**–**	–
Share of profits of associates and joint ventures	**(44,044,396)**	(38,388,845)	**–**	–
Taxation	**74,215,202**	63,978,309	**11,702,301**	3,876,046

Income not subject to tax refers to the net gain from fair value adjustment of investment properties and other income like profit on sale of property, plant and equipment and investment properties. For Company, it also includes dividend income. Expenses not deductible for the Company which is reflected in the Group figure mainly represents the proportion of expenses attributable to dividend income which is disallowed as not deductible and other costs not directly linked with production of taxable Income.

(ii) Income tax recognised in statements of profit or loss

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Current tax expense	**67,938,250**	78,020,294	**10,217,698**	5,649,501
Underprovision in previous year	**262,187**	4,780,884	**576,776**	–
Deferred tax movement	**6,014,765**	(18,822,869)	**907,827**	(1,773,455)
	74,215,202	63,978,309	**11,702,301**	3,876,046

(iii) Income tax recognised in statements of financial position

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	**54,265,468**	3,991,346	**(1,080,094)**	(6,553,635)
Charge for the year	**67,938,250**	78,020,294	**10,217,698**	5,649,501
Paid during the year	**(90,288,970)**	(32,527,056)	**(9,962,496)**	(175,960)
Underprovision in previous year	**262,187**	4,780,884	**576,776**	–
Other movements	**–**	–	**–**	–
At 31 December	**32,176,935**	54,265,468	**(248,116)**	(1,080,094)

Disclosed as follows:	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Current tax assets	**(1,778,848)**	(1,181,398)	**(248,116)**	(1,080,094)
Current tax liabilities	**33,955,783**	55,446,866	**–**	–
	32,176,935	54,265,468	**(248,116)**	(1,080,094)

17. TAXATION CONTINUED

(b) Deferred tax liabilities/(assets)

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Deferred tax assets	(51,186,329)	(47,743,183)	-	-
Deferred tax liabilities	98,961,318	87,046,204	8,005,000	6,408,000
Net deferred tax liabilities	47,774,989	39,303,021	8,005,000	6,408,000

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
At 1 January	39,303,021	54,868,810	6,408,000	8,929,000
Charge/(credit) to statement of profit or loss :				
Deferred tax expense	6,014,765	(18,822,869)	907,827	(1,773,455)
Charged/(credited) to other comprehensive income :				
Revaluation of buildings	5,932,928	3,205,914	787,433	(741,085)
Remeasurement of retirement benefit obligations	(4,614,888)	51,166	(98,260)	(6,460)
Foreign exchange difference	1,139,163	–	–	–
At 31 December	47,774,989	39,303,021	8,005,000	6,408,000

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Accelerated capital allowances	78,416,369	62,636,626	679,708	4,165,476
Revaluation surplus on buildings	48,466,231	38,762,360	10,277,172	5,381,404
Retirement benefit obligations	(21,229,804)	(17,592,571)	(2,951,880)	(3,138,880)
Unused tax losses	(31,616,314)	(27,310,059)	–	–
Right-of-use assets	(4,508,638)	(772,365)	–	–
Other provision and temporary differences	(21,752,855)	(16,420,970)	–	–
	47,774,989	39,303,021	8,005,000	6,408,000

The Group has aggregate unutilised tax losses and deductible temporary differences of Rs 29,871,062 (2022: Rs 53,020,013) to carry forward against future taxable income for which a deferred tax asset has not been recognised due to uncertainty of their recoverability.

The expiry dates of the unutilised tax loss are as follows:

	GROUP	
	2023 Rs	2022 Rs
31 December 2028	8,228,414	–
31 December 2027	7,416,234	13,165,177
31 December 2026	11,011,832	10,645,327
31 December 2025	1,912,631	16,697,912
31 December 2024	1,301,951	10,115,602
31 December 2023	–	2,395,995
	29,871,062	53,020,013

18. BANK OVERDRAFTS

Interest rates are floating rates and range between 6.30% and 8% p.a. (2022: 6.30% and 6.75% p.a).

19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Trade payables	365,246,170	232,535,728	7,786,715	7,929,475
Other payables and accruals	757,167,771	721,424,422	132,794,692	99,520,795
Advance payment from customers	748,234	2,128,194	–	–
Prize liability and reserve fund	131,211,527	225,019,728	–	–
Consolidated Fund	132,142,162	142,563,772	–	–
	1,386,515,864	1,323,671,844	140,581,407	107,450,270
Less: Amount due for settlement after one year (shown under non current liabilities)	(70,048,621)	(64,536,903)	–	–
	1,316,467,243	1,259,134,941	140,581,407	107,450,270

Other Payables and Accruals comprise mainly of accruals for goods and services relating to the Group's operations which was not yet invoiced at reporting date, and amounts due to third parties which are not classified as trade creditors. The amount comprise of Rs 274M (2022:Rs 427M) of accruals specifically for the construction sector which includes construction costs on ongoing contracts, provisions for decennial liabilities, maintenance provisions and clearing and restoration cost provision.

The directors consider that the carrying amount of trade payables approximate their fair value.

The average credit period of creditors is two months. No interest is charged on trade payables. The Group has policies and procedures in place to ensure that all payables are paid within the credit time frame.

19a. CONTRACT LIABILITIES

	2023 Rs	2022 Rs
Non current		
Retention payable to subcontractors	1,086,325	10,468,387
Advance from customers	63,840,980	30,822,113
	64,927,305	41,290,500
Current		
Retention payable to subcontractors	152,743,684	83,021,108
Advance from customers	699,554,209	131,905,522
	852,297,893	214,926,630

The contract liabilities primarily relate to the advance consideration received from customers for the performance obligation yet to be satisfied and retention payable to sub-contractors

Set out below is the amount of revenue recognised from:

	GROUP	
	2023 Rs	2022 Rs
Amounts included in contract liabilities at the beginning of the year	67,093,440	100,971,738
Performance obligations satisfied in previous years	–	–

The non-current contract liabilities are carried at amortised cost using an effective interest rate of 7.55% p.a (2022: 7.55%).

The significant changes in the balances of contract liabilities are disclosed in Note 20.

20. REVENUE

	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
Sale of goods	**2,512,155,558**	2,448,374,449	**–**	–
Construction contract revenue (a)	**2,603,547,116**	1,594,563,937	**–**	–
Lottery	**1,519,831,742**	1,478,888,644	**–**	–
Rendering of services	**29,977,391**	24,082,350	**193,577,280**	174,056,564
Revenue from contracts with customers	**6,665,511,807**	5,545,909,380	**193,577,280**	174,056,564
Rental Income	**31,408,451**	7,059,584	**2,332,914**	2,175,000
Dividend income	**–**	–	**307,565,126**	462,818,128
Revenue	**6,696,920,258**	5,552,968,964	**503,475,320**	639,049,692

Set out below is the disaggregation of the revenue from contract with customers:

(a) Disaggregation of revenue

	GROUP 2023 Rs	GROUP 2022 Rs	COMPANY 2023 Rs	COMPANY 2022 Rs
Set out below is the disaggregation of revenue from contract with customers:				
Type of revenue				
Sale of building materials	**2,504,841,877**	2,431,683,090	**–**	–
Construction contract revenue	**2,603,547,116**	1,594,563,937	**–**	–
Sale of lottery tickets	**1,519,831,742**	1,478,888,644	**–**	–
Sale of goods and services	**37,291,072**	40,773,709	**193,577,280**	174,056,564
Revenue from contracts with customers	**6,665,511,807**	5,545,909,380	**193,577,280**	174,056,564
Timing of revenue recognition				
At a point in time	**4,061,964,691**	3,951,345,443	**193,577,280**	174,056,564
Over time	**2,603,547,116**	1,594,563,937	**–**	–
Revenue from contracts with customers	**6,665,511,807**	5,545,909,380	**193,577,280**	174,056,564

Revenue derived over time are earned on:	GROUP 2023 Rs	GROUP 2022 Rs
Short-term contracts	**481,590,881**	475,231,214
Long-term contracts	**2,121,956,235**	1,119,332,723
Total revenue	**2,603,547,116**	1,594,563,937

The Group has disaggregated revenues generated from contracts with customers in terms of contract duration as projects profitability is normally analysed as being generated from short term or long term contracts. Short-term contracts are contracts having a duration of less than one year and long-term contracts are those having a duration of one year or more.

(b) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	GROUP 2023 Rs	GROUP 2022 Rs
Advance from customers		
At 1 January	**162,727,635**	104,449,521
Amount received during the year	**667,760,994**	159,249,852
Amount recognised in revenue	**(67,093,440)**	(100,971,738)
At 31 December	**763,395,189**	162,727,635

(c) Significant changes in contract assets and liabilities

Significant increase in current contract liabilities is due to advance payments received from major contracts close to reporting date.

(d) Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from fixed-price long-term construction contracts.

	GROUP 2023 Rs	GROUP 2022 Rs
Aggregate amount of the transaction price allocated to long term contract that are partially or fully unsatisfied at reporting date	**4,950,783,609**	2,093,704,671

Management expects that the transaction price allocated to the unsatisfied contracts as at 31 December 2023 will be recognised as revenue during the next reporting periods up to 31 December 2025. The amount disclosed does not include variable consideration which is constrained.

(e) Performance obligations

Information on the Group's performance obligations are summarised below:

Construction contracts with customers

The performance obligation is satisfied over-time. Invoicing is done on a monthly basis based on the value of the work completed. Payment is due when the amount is certified by the customer. In most long term large contracts, advances are required before start of works. These advances are interest free. For more information on advances from clients refer to Note 19.

Sale of building materials

The performance obligation is satisfied upon delivery of building materials and payment is generally due within a period of 30-60 days from delivery.

Sale of lottery tickets

Sale of lottery tickets are the wagers placed on lottery tickets on the Group's draw-based game. Revenue recognition occurs when the draw has been held and the results have been certified by the Gambling Regulatory Authority.

Sale of goods and services

The performance obligation is satisfied upon delivery of goods and services and payment is generally due within 30 days from delivery. Sale of goods and services relate to asphalt selling and management fees income from associate and joint venture.

21. OPERATING PROFIT

The Operating profit from continuing operations is arrived at:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
(i) After crediting:				
Profit disposal of property, plant and equipment	**(3,850)**	(1,669,651)	**–**	21,043
Interest income	**(38,917,070)**	(9,276,322)	**(43,109,426)**	(22,490,340)
Net foreign exchange gains	**(1,442,688)**	(8,625,662)	**(15,384,658)**	–
Write back of payables upon winding up of subsidiaries	**–**	–	**(5,022,375)**	(16,599,482)
Release of provision for slow moving inventories	**–**	(4,967,996)	**–**	–
Unloading income	**–**	(82,122,358)	**–**	–
Other operating income	**(29,304,071)**	(80,487,951)	**(19,038,904)**	(10,131,643)
(ii) and charging:			**–**	–
– Cost of sales	**5,586,669,389**	4,546,036,944	**–**	–
– Administrative expenses and selling expenses	**856,671,269**	847,128,839	**267,135,996**	244,359,776
Included in cost of sales, selling and administrative expenses are:				
Cost of inventories expensed (Note 11)	**1,885,176,470**	1,605,477,146	**–**	–
Subcontractors' cost	**1,094,426,112**	639,122,005	**–**	–
Depreciation (Note 5)	**89,293,053**	87,646,917	**3,894,978**	4,124,141
Depreciation of right-of-use assets (Note (5(g))	**59,437,978**	50,043,033	**4,665,189**	3,735,084
Amortisation of intangible assets (Note 6)	**20,373,230**	18,706,458	**859,828**	606,022
Loss on termination of lease	**–**	12,607,024	**–**	–
Staff costs (Note (a))	**798,789,439**	679,288,545	**171,501,331**	144,286,650
Net Impairment of investments in subsidiaries	**–**	–	**4,758,667**	13,838,632
Provision for slow moving inventories	**5,875,245**	–	**–**	–
(a) Included in staff costs are:				
Defined benefit plan (Note 16)	**24,436,929**	20,525,536	**2,570,415**	2,336,741
State pension plan ((Note 16)	**27,527,905**	11,157,755	**3,869,113**	2,428,437
	51,964,834	31,683,291	**6,439,528**	4,765,178

22. FINANCE COSTS

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Interest expense on:				
Bank overdrafts	**32,191,762**	16,182,747	**260,209**	9,826
Loans repayable by instalments	**33,326,294**	27,681,942	**17,294,542**	13,198,618
Bond notes	**50,346,753**	39,817,419	**50,346,753**	39,817,419
Unwinding of discount under amortised cost calculation (net)	**–**	4,010,531	**–**	–
Interest on lease liabilities	**18,767,608**	15,131,976	**1,036,060**	1,089,341
Interest on intercompany balances	**–**	–	**4,074,463**	–
	134,632,417	102,824,615	**73,012,027**	54,115,204

23. DIVIDEND

	COMPANY	
	2023 Rs	2022 Rs
Final dividend of Rs 1.75 (2022: Rs 1.50) per share	**233,187,500**	199,875,000
Interim dividend of Rs 0.50 (2022: Rs 0.50) per share	**66,625,000**	66,625,000
Total dividend paid during the year	**299,812,500**	266,500,000

24. EARNINGS PER SHARE

	2023 Rs	2022 Rs
Profit attributable to owners of the Company	**378,569,554**	412,623,311
Number of shares for earnings per share calculation	**133,250,000**	133,250,000
Earnings per share (basic and diluted)	**2.84**	3.10

There were no dilution of shares for the periods presented therein.

25. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Property, plant and equipment purchased	**195,197,288**	135,411,591	**9,434,175**	1,692,152
Financed as follows:				
Lease (right-of-use assets)	**71,340,923**	67,240,098	**7,511,639**	–
Cash disbursed	**123,856,365**	68,171,493	**1,922,536**	1,692,152
Total	**195,197,288**	135,411,591	**9,434,175**	1,692,152

26. CASH AT BANK, IN HAND AND SHORT TERM DEPOSITS

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Cash at bank, in hand and short term deposits	**1,294,007,111**	1,116,041,679	**573,797,446**	429,932,509
Bank overdrafts	**(402,568,186)**	(221,143,909)	**–**	–
	891,438,925	894,897,770	**573,797,446**	429,932,509

27. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the Executive Committee in order to allocate resources to the segments identified previously under IAS 14, Segmental Reporting.

Information reported to the chief operating decision maker focuses on the types of goods and services delivered or provided. The directors of the Company have chosen to organize the Group around differences in products and services.

The Group's reportable segments under IFRS 8 are:

- Building Materials segment, which imports cement in bulk and sells it in bulk or bags
- Contracting segment, which is engaged in the building and civil engineering works, asphalt production and asphalt road works
- Property segment, which has a bank of land and office buildings for development and rental
- Lottery segment, which is engaged in the lottery business
- Corporate Services & Others segment, which provides the corporate and secretarial services for the Group

(a) Segment revenue and results

The following is an analysis of the Group's revenue from continuing operations.

2023	Building materials Rs	Contracting Rs	Property Rs	Lottery Rs	Corporate services & others Rs	Eliminations Rs	Total Rs
REVENUE							
External sales	2,504,841,877	2,610,860,797	31,320,701	1,519,831,742	210,804,929	(180,739,788)	6,696,920,258
Inter-segment sales	10,254,240	4,248,479	114,000	–	567,754,571	(582,371,290)	–
	2,515,096,117	2,615,109,276	31,434,701	1,519,831,742	778,559,500	(763,111,078)	6,696,920,258
OPERATING PROFIT							
Segment results	81,534,224	63,661,725	16,512,418	190,487,494	307,826,262	(336,774,844)	323,247,279
Net impairment reversal on financial and contract assets	(631,226)	67,518,801	–	372,559	57,500	–	67,317,634
Fair value gain on investment properties	–	–	2,119,860	–	–	–	2,119,860
Finance costs	(63,280,729)	(631,337)	(9,748,334)	(5,346,094)	(73,426,605)	17,800,682	(134,632,417)
Share of profit of associates and joint venture	172,521,084	–	–	10,250,140	76,313,458	–	259,084,682
Profit before taxation							517,137,038
Taxation							(74,215,202)
Profit for the year							442,921,836

2022	Building materials Rs	Contracting Rs	Property Rs	Lottery Rs	Corporate services & others Rs	Eliminations Rs	Total Rs
REVENUE							
External sales	2,431,683,090	1,603,869,296	6,732,876	1,478,888,644	131,011,298	(99,216,240)	5,552,968,964
Inter-segment sales	9,042,357	8,587,215	429,131	–	808,278,597	(826,337,300)	–
	2,440,725,447	1,612,456,511	7,162,007	1,478,888,644	939,289,895	(925,553,540)	5,552,968,964
OPERATING PROFIT							
Segment results	92,317,873	75,847,223	32,514,105	192,178,266	308,699,738	(354,604,084)	346,953,121
Net impairment charge on financial and contract assets	(474,888)	(50,389,585)	–	(394,584)	–	–	(51,259,057)
Fair value gain on investment properties	–	–	126,076,823	–	–	–	126,076,823
Finance costs	(20,998,358)	(4,767,838)	(7,891,728)	(5,309,344)	(59,809,559)	(4,047,788)	(102,824,615)
Share of profit of associates and joint venture	127,564,174	–	–	(2,834,683)	101,087,243	–	225,816,734
Profit before taxation							544,763,006
Taxation							(63,978,309)
Profit for the year							480,784,697

Segment revenue reported above represents revenue generated from external customers.

External sales elimination refers to dividend income from Associates and Joint Venture. The dividends are eliminated on consolidation since the share of Profit of Associates and Joint Venture are taken in the Group results.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

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27. SEGMENT INFORMATION CONTINUED

(b) Segment Assets and Liabilities

2023	Building materials Rs	Contracting Rs	Property Rs	Lottery Rs	Corporate services & others Rs	Eliminations Rs	Total Rs
ASSETS							
Segment assets	2,267,056,027	1,713,322,890	1,598,069,431	511,220,950	2,076,105,030	(890,550,300)	7,275,224,028
Investments in associates and joint venture	543,366,126	–	–	255,961,027	547,047,855	–	1,346,375,008
Total assets							8,621,599,036
LIABILITIES							
Segment liabilities	1,021,579,097	1,615,384,139	109,131,769	381,490,438	1,516,758,190	(18,669,944)	4,625,673,689
Non-controlling interests	107,303,187	–	–	75,730,418	–	–	183,033,605
Equity attributable to owners							3,812,891,742
Total equity and liabilities							8,621,599,036

2022	Building materials Rs	Contracting Rs	Property Rs	Lottery Rs	Corporate services & others Rs	Eliminations Rs	Total Rs
ASSETS							
Segment assets	1,418,441,316	1,034,346,145	1,595,503,426	754,947,581	1,341,516,063	655,302,952	6,800,057,483
Investments in associates and joint venture	562,304,688	–	–	70,939,329	412,513,268	–	1,045,757,285
Total assets							7,845,814,768
LIABILITIES							
Segment liabilities	338,612,862	934,745,392	294,029,597	446,272,195	2,289,761,390	(329,794,633)	3,973,626,803
Non-controlling interests	88,177,178	–	–	89,324,800	5,237,220	–	182,739,198
Equity attributable to owners							3,689,448,767
Total equity and liabilities							7,845,814,768

For the purpose of monitoring segment performance and allocating resources between segments:

All assets and liabilities are allocated to reportable segments. Goodwill is allocated to reportable segments as described in Note 6. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

(c) Other Information

(i) Capital Additions, Depreciation and Amortisation

2023	Building materials Rs	Contracting Rs	Property Rs	Lottery Rs	Corporate services & others Rs	Total Rs
Capital additions	102,136,220	76,012,732	–	47,635,153	10,136,870	235,920,975
Depreciation and amortisation	76,748,394	26,680,605	1,128,513	48,016,874	16,529,875	169,104,261

2022	Building materials Rs	Contracting Rs	Investments Rs	Lottery Rs	Corporate services & others Rs	Total Rs
Capital additions	78,248,281	5,489,611	–	50,597,776	8,119,809	142,455,477
Depreciation and amortisation	74,219,075	23,965,489	1,128,513	44,378,611	12,704,720	156,396,408

(ii) Geographical Information

The following table provides an analysis of the Group's Revenue with external customers and total assets by geographical market:

	Revenue		Total Assets	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Mauritius	6,426,856,977	5,062,584,261	8,263,247,178	7,592,716,195
Madagascar	270,063,281	490,384,703	105,001,324	179,324,561
Rest of Africa	–	–	253,350,534	73,774,012
	6,696,920,258	5,552,968,964	8,621,599,036	7,845,814,768

(iii) Information about major customers

No single customer contributed 10% or more of the Group's revenue for both 2023 and 2022.

(iv) Revenue from major products and services

The following is an analysis of the Group's revenue classified into its major products and services.

	2023 Rs	2022 Rs
Building materials	2,504,841,877	2,431,683,090
Contracting	2,610,860,797	1,603,869,296
Investment properties	31,408,451	6,732,876
Lottery	1,519,831,742	1,478,888,644
Sale of other goods and services	29,977,391	31,795,058
	6,696,920,258	5,552,968,964

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The transactions of the Group with related parties during the year are as follows:

(a) Expenses

(i) Purchase of goods and services

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
From Subsidiaries	-	-	8,844,938	10,451,468
From Director-related Entities	2,326,724	380,000	2,326,724	380,000
From Associates and Joint venture	304,469,111	185,299,616	359,393	973,585

(ii) Interest Expense

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
From Subsidiaries	–	–	4,074,463	–

(b) Income

		GROUP		COMPANY	
		2023 Rs	2022 Rs	2023 Rs	2022 Rs
(i)	Dividend income				
	From subsidiaries	–	–	177,466,494	406,101,888
	From associates and joint venture	180,739,788	99,216,240	130,098,632	56,716,240
(ii)	Management fee income, secretarial fee, treasury fee and rental income				
	From subsidiaries	–	–	173,479,227	152,586,213
	From associates and joint venture	33,105,273	33,755,950	33,105,273	33,755,950
(iii)	Sale of goods and services				
	From associates and joint venture	791,513,659	359,656,498	–	–
(iv)	Interest income				
	From subsidiaries	–	–	13,726,236	12,057,915

(c) Compensation of key management personnel

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Short-term benefits	171,848,423	171,561,728	100,140,039	89,024,637
Post-employment benefits	4,965,937	6,601,814	1,588,860	910,739
	176,814,360	178,163,542	101,728,899	89,935,376

(d) Outstanding balances

(i) Amount due from related parties:

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Subsidiaries	–	–	268,375,070	406,572,025
Associates and Joint Venture	67,330,951	6,967,059	12,489,635	6,704,859
	67,330,951	6,967,059	280,864,705	413,276,884

Of the balances due from subsidiaries, Rs 120M (2022: Rs 120M) bears interest at 5% (2022: 5%) per annum and Rs 110M (2022: Rs 220M) bears interest at 6.3% per annum (2022: 6.3%). These amounts are repayable on demand.

The remaining balances from related parties are unsecured, interest free and repayable at call except for the amounts shown in Note 7(c).

Amount due by joint venture

The amounts due from associates and joint venture are classified under Trade and Other Receivables in note 12(a). Amounts due from related parties have been tested for impairment using the ECL method and no impairment is deemed to be recorded.

(ii) Amount due to related parties

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Director-related entities	45,040,615	45,040,615	–	–
Subsidiaries	–	–	318,212,377	100,153,478
Associates and joint venture included in creditors and accruals	46,232,304	56,955,450	–	–
	91,272,919	101,996,065	318,212,377	100,153,478

Of the balances due to Subsidiaries, Rs 110M bears interest at 4.6% per annum, Rs 35M bears interest at 3.45% per annum and Rs 50M bears interest at 3.85% per annum. These amounts are repayable within 3 months.

The remaining balances due to related parties are unsecured, interest free and repayable on demand.

29. FINANCIAL INSTRUMENTS

During the course of its ordinary activities, the Group and the Company are exposed to various risks such as capital risk, market risk (which comprises of interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The risks are monitored and reviewed by the Audit and Risk Committee on a quarterly basis. The risks are managed by senior management of the Group and the Company. The Group's and the Company's financial risks activities are governed by appropriate policies and procedures, and the financial risks are identified, measured and managed in accordance with the Group's and the Company's policies and risk objectives.

(a) Capital risk management

The Group and the Company manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remain unchanged from 2022.

The capital structure of the Group and the Company consist of net debt offset by cash and cash equivalents and equity comprising issued capital, reserves and retained earnings.

29. FINANCIAL INSTRUMENTS CONTINUED

(b) Gearing ratio

The Group and the Company reviews the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with its capital. There was no significant change during the year.

The gearing ratio at the year end was as follows:

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Debt (i)	**2,071,343,499**	2,147,759,046	**1,256,439,444**	1,335,041,707
Cash at bank and in hand	**(1,294,007,111)**	(1,116,041,679)	**(573,797,446)**	(429,932,509)
Net debt	**777,336,388**	1,031,717,367	**682,641,998**	905,109,198
Equity (ii)	**3,995,925,347**	3,872,187,965	**1,579,168,744**	1,628,136,098
Gearing ratio	**19.5%**	26.6%	**43.2%**	55.6%

(i) Debt is defined as short and long term borrowings, as detailed in Notes 14, 15 and 18.

(ii) Equity includes capital and reserves of the Group/Company.

(c) Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability and equity instruments are disclosed in Note 3 to the financial statements.

(d) Fair values

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Categories of Financial Instruments

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Financial Assets				
Financial assets at fair value through profit or loss	**–**	142,160,670	**–**	142,160,670
Financial assets at amortised cost	**2,206,521,035**	1,703,342,891	**1,006,169,333**	1,050,303,724
	2,206,521,035	1,845,503,561	**1,006,169,333**	1,192,464,394
Financial Liabilities				
Financial liabilities at amortised cost	3,316,311,909	3,464,246,407	**1,712,537,368**	1,596,874,698

Total financial assets consist of non-current receivables, trade and other receivables excluding prepayments, cash and cash equivalents, convertible bonds, debt securities and amounts due from subsidiaries (Company only).

Total financial liabilities consist of trade and other payables, lease liabilities, loans, bonds and amounts due to subsidiaries (Company only).

(e) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) Currency risk

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 is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below (Note (g)) may change in a manner which has a material effect on the reported values of its assets and liabilities.

(g) Currency profile

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

Group	Financial Assets		Financial Liabilities	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Currency				
Mauritian Rupee	**1,695,265,815**	1,450,074,783	**3,018,508,283**	3,228,808,530
United States Dollar	**418,245,656**	180,366,650	**170,434,929**	141,792,413
Euro	**57,230,585**	142,160,670	**61,672,750**	–
Malagasy Ariary	**35,715,228**	72,901,458	**64,771,467**	93,645,464
Great Britain Pound	**43,376**	–	**–**	–
Others	**20,375**	–	**924,480**	–
	2,206,521,035	1,845,503,561	**3,316,311,909**	3,464,246,407

Company	Financial Assets		Financial Liabilities	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Currency				
Mauritian Rupee	**592,918,127**	856,993,799	**1,679,846,556**	1,596,874,698
United States Dollar	**375,153,706**	180,488,366	**14,153,675**	–
Euro	**38,054,124**	154,982,229	**17,138,049**	–
Great Britain Pound	**43,376**	–	**–**	–
Malagasy Ariary	**–**	–	**474,608**	–
Singapore Dollar	**–**	–	**924,480**	–
	1,006,169,333	1,192,464,394	**1,712,537,368**	1,596,874,698

Included in United States Dollar and Euro under Financial Assets are mainly cash at banks, short term deposits and MCB Stockbrokers Limited Notes.

Included in United States Dollar and Euro under Financial Liabilities are mainly trade payables.

29. FINANCIAL INSTRUMENTS CONTINUED

(h) Foreign currency sensitivity analysis

The Group is mainly exposed to United States Dollar (USD), Euro and Malagasy Ariary.

The following table details the Group's sensitivity to a 5% increase and decrease in foreign currencies against the Mauritian Rupee. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. An increase in foreign currency will lead to an overall increase in profit and equity as shown below, and vice-versa.

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
	Impact		Impact	
United States Dollar	**12,390,536**	1,928,712	**18,050,002**	9,024,418
Euro	**(222,108)**	7,108,034	**1,045,804**	7,749,111
Malagasy Ariary	**(1,452,812)**	(1,037,200)	**(67,786)**	–
Others	**(43,036)**	–	**–**	–
Total	**10,672,580**	7,999,546	**19,028,020**	16,773,529

The above is mainly attributable to the Group's exposure outstanding on cash and cash equivalents, accounts receivables, accounts payables and borrowings in USD, Euro and Malagasy Ariary. The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. There was no open forward contract at reporting date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are approved and reviewed by key management on regular basis.

The Group's and the Company's credit risk is primarily attributable to its trade receivables and from its financing activities including deposits with banks and financial institutions. The amounts presented in the Statements of Financial Position are net of allowances for expected credit losses, estimated by management based on prior experience and represents the company's maximum exposure to credit risk.

The Group and the Company do not hold collateral as security.

Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased for material subsidiaries of the group.

The Group and the Company do not have any significant concentration of credit risks other than those disclosed in Note 12.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns i.e., by customer type and rating. Generally, trade receivables are impaired if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12.

(j) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in market interest rates. The Group and the Company are exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Group and the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the financial liabilities at 31 December was:

Financial Liabilities

	Mauritian Rupee		USD		Malagasy Ariary	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
Bank overdraft - floating rates	**From 6.30% to 7.40%**	From 6.25% to 6.75%	**–**	–	**8%**	11%
Bank loans - floating rates	**From 6.05% to 6.95%**	From 5.90% to 7.50%	**–**	From 7.05% to 8.42%	**–**	–
Bond liability - floating rates	**From 5.75% to 5.85%**	From 5.75% to 5.85%	**–**	–	**–**	–
Bond liability - fixed rates	**From 3.68% to 4.60%**	From 3.68% to 4.60%	**–**	–	**–**	–

(k) Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

	GROUP		COMPANY	
	2023	2022	2023	2022
	Rs	Rs	Rs	Rs
Decrease in Profit and equity	**4,414,393**	4,455,705	**3,197,464**	3,442,998

This is mainly attributable to the Group's and Company's exposure to interest rates on its variable rate borrowings.

(l) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity Tables

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Group	Less than 1 year	1 - 5 years	5+ years	Total
	Rs	Rs	Rs	Rs
2023				
Non-interest bearing	1,394,718,823	–	–	1,394,718,823
Lease liability	61,672,959	272,678,454	277,963,599	612,315,012
Variable interest rate instruments	651,018,706	812,038,861	14,986,500	1,478,044,067
Fixed interest rate instruments	19,743,000	79,486,000	438,271,000	537,500,000
	2,127,153,488	1,164,203,315	731,221,099	4,022,577,902

29. FINANCIAL INSTRUMENTS CONTINUED

(l) Liquidity risk management continued

	Less than 1 year Rs	1 - 5 years Rs	5+ years Rs	Total Rs
2022				
Non-interest bearing	1,041,226,905	18,196,171	2,698,007	1,062,121,083
Lease liability	46,787,713	108,227,420	346,899,771	501,914,904
Variable interest rate instruments	493,939,385	297,180,069	687,720,137	1,478,839,591
Fixed interest rate instruments	17,490,000	78,720,000	461,840,000	558,050,000
	1,599,444,003	502,323,660	1,499,157,915	3,600,925,578

Company	Less than 1 year Rs	1 - 5 years Rs	5+ years Rs	Total Rs
2023				
Non-interest bearing	**140,581,407**	**–**	**–**	**140,581,407**
Lease liability	**7,112,579**	**14,225,160**	**–**	**21,337,739**
Variable interest rate instruments	**127,330,761**	**769,405,431**	**3,764,500**	**900,500,692**
Fixed interest rate instruments	**19,743,000**	**79,486,000**	**438,271,000**	**537,500,000**
	294,767,747	**863,116,591**	**442,035,500**	**1,599,919,838**

Company	Less than 1 year Rs	1 - 5 years Rs	5+ years Rs	Total Rs
2022				
Non-interest bearing	261,090,528	–	–	261,090,528
Lease liability	4,698,444	14,095,332	–	18,793,776
Variable interest rate instruments	114,439,335	959,327,975	6,750,000	1,080,517,310
Fixed interest rate instruments	17,490,000	78,720,000	461,840,000	558,050,000
	397,718,307	1,052,143,307	468,590,000	1,918,451,614

Non-interest bearing debts includes Trade and other payables and Amounts due to subsidiaries (Company only).
Variable Interest rate instruments refer to bank and other loans and Bond Liabilities inclusive of future interests.
Fixed Interest rate instruments refer to Bond Liabilities inclusive of future interests.

(i) Group	1 January 2023 Rs	Interest cost Rs	Cash* (outflows)/ inflows Rs	Reclassi-fication Rs	Net recognition of lease liabilities Rs	31 December 2023 Rs
Current interest bearing borrowings	**488,548,283**	**29,995,090**	**(112,168,251)**	**160,633,465**	**–**	**567,008,587**
Current lease liabilities	**36,179,927**	**2,605,583**	**(57,918,341)**	**3,394,438**	**61,070,372**	**45,331,979**
Non current interest bearing borrowings	**1,398,612,367**	**85,869,719**	**(85,869,719)**	**(160,633,465)**	**–**	**1,237,978,902**
Non current lease liabilities	**224,418,469**	**16,162,025**	**(16,162,025)**	**(3,394,438)**	**–**	**221,024,031**
	2,147,759,046	**134,632,417**	**(272,118,336)**	**–**	**61,070,372**	**2,071,343,499**

	1 January 2022 Rs	Interest cost Rs	Cash* (outflows)/ inflows Rs	Reclassi-fication Rs	Net recognition of lease liabilities Rs	31 December 2022 Rs
Current interest bearing borrowings	262,042,787	12,597,864	133,927,014	79,980,618	–	488,548,283
Current lease liabilities	38,927,602	2,465,423	(34,408,740)	26,514,815	2,680,827	36,179,927
Non current interest bearing borrowings	1,478,592,985	71,084,244	(71,084,244)	(79,980,618)	–	1,398,612,367
Non current lease liabilities	199,997,573	12,666,553	(12,666,553)	(26,514,815)	50,935,711	224,418,469
	1,979,560,947	98,814,084	15,767,477	–	53,616,538	2,147,759,046

(ii) Company	1 January 2023 Rs	Interest cost Rs	Cash* (outflows)/ inflows Rs	Recognition of lease liabilities Rs	Reclassi-fication Rs	31 December 2023 Rs
Current interest bearing borrowings	**83,125,069**	**4,438,800**	**(87,563,869)**	**–**	**82,529,237**	**82,529,237**
Current lease liabilities	**3,825,037**	**236,894**	**(4,061,931)**	**2,056,270**	**4,100,925**	**6,157,195**
Non current interest bearing borrowings	**1,235,187,776**	**63,202,495**	**(61,523,054)**	**–**	**(82,529,237)**	**1,154,337,980**
Non current lease liabilities	**12,903,825**	**799,166**	**(1,642,403)**	**5,455,369**	**(4,100,925)**	**13,415,032**
	1,335,041,706	**68,677,355**	**(154,791,257)**	**7,511,639**	**–**	**1,256,439,443**

	1 January 2022 Rs	Interest cost Rs	Cash* (outflows)/ inflows Rs	Remeasurement of lease liabilities Rs	Reclassi-fication Rs	31 December 2022 Rs
Current interest bearing borrowings	37,472,901	1,491,630	(15,547,861)	–	59,708,399	83,125,069
Current lease liabilities	3,785,383	193,311	(3,816,459)	(176,281)	3,839,083	3,825,037
Non current interest bearing borrowings	1,294,896,175	51,544,059	(51,544,059)	–	(59,708,399)	1,235,187,776
Non current lease liabilities	17,545,957	193,311	(193,311)	(803,049)	(3,839,083)	12,903,825
	1,353,700,416	53,422,310	(71,101,690)	(979,330)	–	1,335,041,706

Cash movements include the payment of interests.

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30. OPERATING LEASES

The Group as Lessor

Leasing Arrangements

The Group leases office space with lease term of seven years, with an option to extend for a further period of five years at the discretion of the lessee. The operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

During the year the rental income earned by the Group and Company under operating leases amounted to Rs 29,631,959 (2022: Rs 5,584,591) and Rs 2,332,914 (2022: Rs 2,175,000) respectively. Direct operating expenses incurred by the Group for the year amount to Rs 6,108,171 (2022: Rs 5,568,528).

Non-cancellable Operating Lease Receivables

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Less than one year	**33,269,400**	23,964,992	**1,200,000**	1,200,000
Between one and two years	**33,269,400**	57,040,714	**1,200,000**	1,200,000
Between two and five years	**99,808,200**	–	**–**	–
More than five years	**41,586,750**	–	**–**	–
	207,933,750	81,005,706	**2,400,000**	2,400,000

31. NON-CURRENT RECEIVABLES

	GROUP		COMPANY	
	2023 Rs	2022 Rs	2023 Rs	2022 Rs
Prepayment for lease of land	**5,011,106**	5,768,106	**–**	–
Other receivables	**1,927,352**	1,622,990	**490,114**	490,114
	6,938,458	7,391,096	**490,114**	490,114

Advance payments were made in respect of lease of land. The advance payments are expensed in Statement of Profit or Loss and Other Comprehensive income as follows:

	GROUP	
	2023 Rs	2022 Rs
After one year but before five years	**3,028,000**	1,923,644
More than five years	**1,983,106**	3,844,462
	5,011,106	5,768,106

Other receivables for the Group mainly relates to long-term deposits.

32. CONTINGENT LIABILITIES

Contingent liabilities not provided for in the Group's financial statements relate to expatriate guarantees of Rs 1M (2022: Rs 3M), performance bond of Rs 680M (2022: Rs 450M), tender bond of Rs 5M (2022: Rs 12M), advance payment guarantees of Rs 697M (2022: Rs 165M) and other guarantees of Rs 18M (2022: Rs 18M) to third parties. The Group also provided a corporate guarantee of approximately Rs 77M (2022: Rs 77M) for a Subsidiary in relation to the its financial obligation.

Contingent liabilities not provided for in the Company financial statements relate to expatriates guarantees of Rs 0.1M (2022: Rs 0.1M).

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business.

It is not anticipated that any material liabilities will arise from them and is deemed unpractical to disclose the cases individually.

33. CHANGE IN OWNERSHIP

Year 2023

During the year the Group increased its shareholding in Kolos International Ltd and Kolos Madagascar SA to 74% each. The shareholdings in Kolos International Ltd and Kolos Madagascar SA were 62.9% and 62.5% respectively at 31 December 2022. The additional share of net assets purchased is as follows:.

	Kolos International Ltd	Kolos Madagascar SA	Total Rs
Analysis of assets and liabilities over which control increased:			
Non-current assets	1,928,306	60,572,902	62,501,208
Current assets			
Inventories	–	138,228,086	138,228,086
Receivables	248,610,628	72,281,303	320,891,931
Cash and cash equivalents	8,007,473	243,746	8,251,219
Current liabilities			
Borrowings	(91,317,835)	(149,633,679)	(240,951,514)
Payables	(157,672,932)	(280,814,493)	(438,487,425)
Net assets/(liabilities)	9,555,640	(159,122,135)	(149,566,495)
Share of net assets/(liabilities) acquired:	1,060,676	(17,662,557)	(16,601,881)
Movement in equity as follows:			
Transfer from non-controlling interests to earnings and reserves attributable to owners:			(939,549)
Foreign currency translation reserves			(19,156,082)
Retained earnings			
Transfer from non controlling interests			16,601,881
Consideration paid to non controlling interests			3,493,750

Year 2022

During the year ended 31 December 2022, Boron Investments Ltd acquired 100,000 shares at a consideration of Rs 100,000 in Osterley Investments Ltd making the indirect shareholding in the latter 100% compared to 99% in 2021. The additional net assets amounting to Rs 725,641 was purchased for Rs 128,285.

34. CAPITAL COMMITMENTS

Capital commitments at the reporting date contracted for by the Group and the Company amounted to Rs 348m and Rs 335m respectively for the next financial year (2022: Rs 12m for the Group and Rs Nil for the Company).

35. EVENTS AFTER THE REPORTING DATE

In February 2024, the Group acquired an industrial cement business in Madagascar together with its strategic cement partner. The acquisition is in line with the Group's strategy to expand geographically and to strengthen its position as a key cement industry player in the region.