GOOD FOOD for All

ANNUAL REPORT **2021**

INNODIS

Good Today. Better Tomorrow.

4 HOME-GROWN Vision

Over the years, we have grown into a diversified group, reaching new heights, yet never losing sight of our values and our roots. We have always had at heart the well-being of our consumers, employees, and the local communities that we serve, and this has been an integral part of our success.

Good Today. Better Tomorrow.

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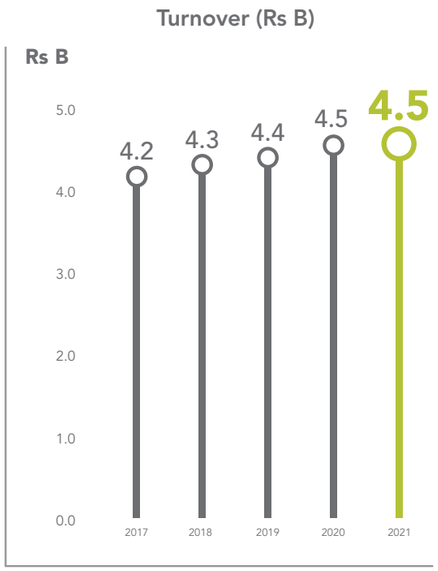
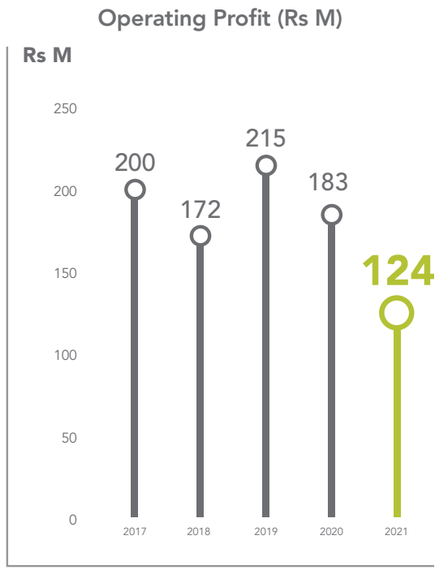
Our journey began in 1973 as a local family-run business. Driven by the vision of our forward-thinking founders and our hard-working employees, our Group has steadily grown into a diversified conglomerate. Our brands have been developed with passion and chosen with a genuine desire to improve the lives of our partners and consumers, earning the trust of Mauritian families for nearly five decades.

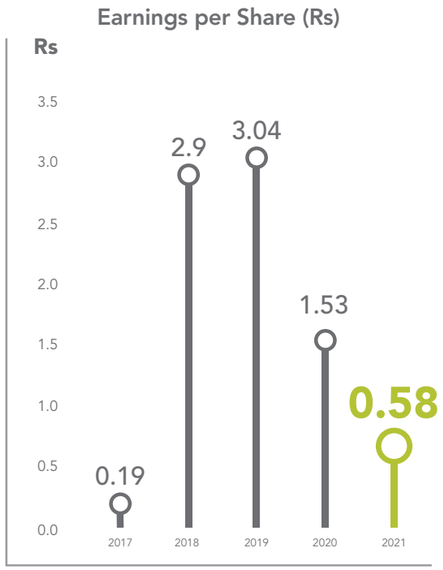
4 MAURITIAN *Heritage*

PRODUCTION

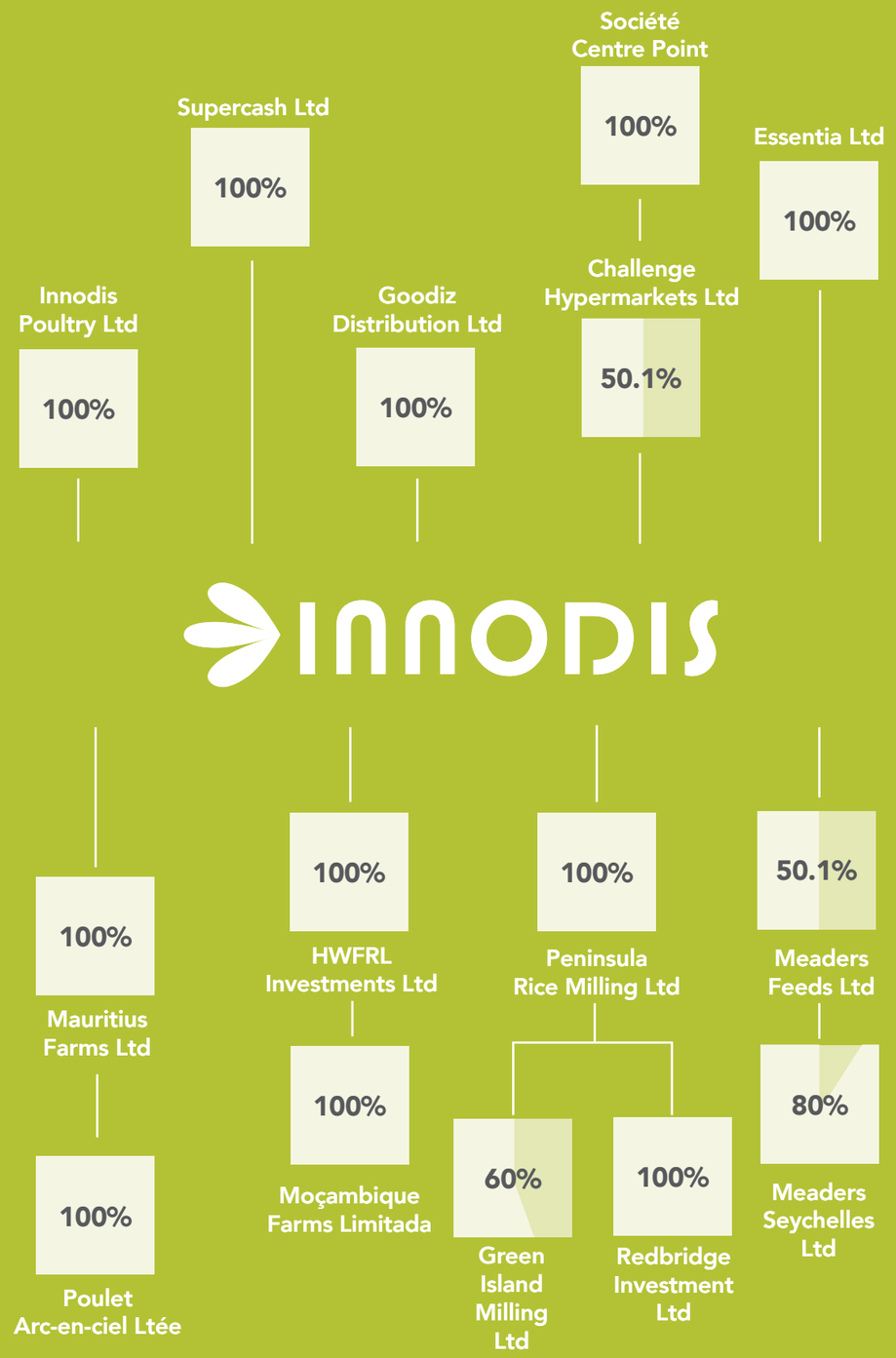
Financial Highlights







Group Structure



Overview of Activities

AGRO-INDUSTRY

- Poulet Arc-En-Ciel Ltée
- Innodis Poultry Ltd
- Moçambique Farms Limitada
- Meaders Feeds Ltd

IMPORTS & DISTRIBUTION

- Dry Goods
- Chilled Foods
- Warehousing & Distribution
- Frozen Foods
- Non-Food

MANUFACTURING

- Ice Cream
- Yoghurt
- Milk Drinks

RETAIL CHANNELS

- Farmshop
- Saveurs Plus
- Supercash
- T-Chef

INNODIS

We are particularly proud of our locally-manufactured chicken and dairy products, which are made with care, using only the finest ingredients. More importantly, our products are prepared with a smile as we are committed to look after our people. We believe this really makes a noticeable difference in the final product!

MADE with a Smile

RETAIL

Victor Seeyave
Chairperson

Jean-Pierre Lim Kong
Chief Executive Officer

Chairman and CEO'S Report

"Being in the food sector, Innodis Group has been fairly more resilient, compared to other more vulnerable sectors which have suffered severe losses since the beginning of the pandemic, and which could have experienced even more serious setbacks, had they not benefitted from state-funded assistance programmes."

Chairman and CEO'S Report (Continued)

COVID-19 has held many economies hostage in 2021, and it has been unsurprisingly linked with either an upswing or stalling of recovery and growth, depending on the degree of success nations across the globe have met with to contain its spread. While there are indications that the US and the Eurozone are now bouncing back from last year's downturn, port congestions and closures as well as production bottlenecks in China and across the world have continued to disrupt supply chain and shipments to Mauritius, driving up costs of imports. At the same time, the U.S. dollar has been exhibiting strong safe-haven qualities for investors and remains strong against our Mauritian Rupee.

Locally, after our economy shrank by 14.9% last year – the biggest contraction in four decades – the growth anticipated for the year 2021 has been revised downwards from 7.9% to 5.5% by the Bank of Mauritius, following the second COVID-19 wave that swept across our island. Moreover, consistently high prices of imported goods, caused by an imbalance in international demand and supply forces as well as unprecedented freight charges, have driven up the inflation rate, dampening hopes of a quick resurgence of pre-Covid levels of consumption.

Being in the food sector, Innodis Group has been fairly more resilient, compared to other more vulnerable sectors which have suffered severe losses since the beginning of the pandemic, and which could have experienced even more serious setbacks, had they not benefitted from state-funded assistance programmes.

Nevertheless, since the second lockdown, Innodis has also faced major disruptions in its conduct of day-to-day business. We had to contend with cost escalations at every stage of our value chain, subdued demand from clients and end-consumers, and contractions in margins with the introduction of price control by the authorities on some commodities. In addition to the immediate effects of the COVID-19 restrictions on the local economy, we also faced a significant escalation in the world prices of soya bean meal and maize, two main constituents of poultry feed, which resulted in a major increase in the cost of production of our chicken.

After many years of steady top-line growth, the Group felt the full aftermath effects of the first lockdown in the financial year under review. The turnover of Innodis Ltd declined marginally by 2.1% compared to last year, mainly due to the drastic fall in business activities linked to the hospitality and catering sectors. However, the fact that the drop has been contained to below 3%, bearing in mind that this sector normally contributes to around 15% of our top line, is certainly positive and confirms the resilience of our business units. At Group level, turnover grew by a modest 0.7% from Rs4,495 million to Rs4,526 million.

The profitability of most of our business units was lower than last year. Our operational costs remained above normal with an increase in storage expenses of frozen foods due to depressed demand, and both Innodis Poultry Ltd and Poulet Arc-en-Ciel Ltée suffered from margin compression in the chicken category. On the other hand, the profitability of our feed milling subsidiary, Meaders Feeds Ltd, and that of our poultry operation in Mozambique, significantly improved compared to last year.

Overall, Group profit after tax fell by 32% to Rs44.6 million. Our earnings per share for the year decreased to Rs0.58 (2020: Rs1.53). A dividend per share of Rs1.15, similar to last year, was declared. Net asset value closed at Rs52.30.

BOARD OF DIRECTORS AND MANAGEMENT

We are pleased to report that Mr Roshan Ramoly joined the Board of Innodis Ltd as an independent director on the 1st January 2021. Mr Ramoly has worked in the financial services and banking industry for more than 15 years at senior managerial levels, and is currently the Director of LinearArc Solutions, which provides incubation, mentoring and training services to start-ups.

On the other hand, after a 17-year tenure at Innodis Poultry Ltd, Mr Moothoo retired as Head of our agri-business activities in June 2021, and subsequently also resigned as a director in December 2020. He has however accepted to take on a new role within the Group as Managing Director of Meaders Feeds Ltd with effect from the 1st July 2021. Mr Olivier Fanchette, a Senior Manager at Innodis Poultry Ltd since 2016, was appointed as General Manager of Innodis Poultry Ltd on the 1st July 2021. He also serves on the board of Meaders Feeds Ltd, Poulet Arc-en-Ciel Ltée and Innodis Poultry Ltd.

Performance by cluster

Agro-industry

Innodis Poultry Ltd

At the level of Innodis Poultry Ltd, despite the adverse operating conditions, the business has achieved a respectable performance thanks to the resilience and the commitment of our young and dynamic Management team and all of its staff.

As mentioned earlier, the rising cost of inputs was particularly challenging for our poultry operations. The average purchase price of maize and soya bean meal rose by 30% and 36% respectively in the financial year under review. Coupled with the appreciation of the US dollar against the Mauritian rupee, this spike in feed prices drastically increased our cost of production of chicken. With a struggling economy and a decline in the purchasing power of consumers, we have not been able to pass on those cost increases entirely to the market, and this has dented our profit margins. Since the end of the financial year 2020/2021, the prices of maize and soya bean meal have continued to rise and show no sign of receding in the future.

Nevertheless, we do have cause for satisfaction of our performance during the year. Against all odds and in spite of periods of restricted movement and labour constraints, we managed to maintain our production and distribution activities to ensure that the country remains self-sufficient in chicken during these difficult times. Production resources were channelled towards more essential products, and our employees stepped up and rose to the challenge.

Despite the headwinds, our team at Innodis Poultry Ltd also continued to work on further expanding our presence in the retail sphere. With renewed focus on Research and Development, the team has leveraged upon the Farm Shop outlet at Beau Climat, to offer innovative products, such as convenient, ready-to-eat meals, as well as more conventional fast-food chicken items made with fresh farm ingredients. We have also been exploring other avenues of expansion with the supply of value-added chicken products in key retail outlets managed by some of our partners. This will remain an important area of focus for the team, as such products fetch higher margins.

During the year, Innodis Poultry participated in the National Productivity and Quality Convention 2020-2021 organised by the NPCC under the theme ''Pursuing Productivity and Quality amidst Covid-19''. Innodis Poultry presented two projects and our subsidiary was awarded the Gold Award for the project on ''Application of a quality and traceability system in poultry logistics" and the Silver Award for a second project on "Adopting a circular economy approach". In fact, we are the first company in Mauritius to adopt a circular economy approach to waste management. Our poultry mortalities and poultry litter are treated on our farms to produce a very fertile compost that is used in our green houses to produce vegetables under the Maurigap certification. This allows us to contribute to self-sufficiency not only in the poultry sector in Mauritius, but also in relation to the production of certain varieties of vegetables, with minimal chemical additives.

Several of our infrastructure projects have been delayed as a result of COVID-19, namely the upgrading of our farm equipment, processing plant and refrigeration facilities at Beau Climat, and the creation of our new quarantine farm at Mare d'Albert. However, all these projects are now back on track, and we are set to complete the upgrading of our premises by the end of the calendar year 2022. Once up and running, these new facilities will provide much more flexibility in terms of production and storage and contribute to further cost-savings. More specifically, our increased refrigeration capacity should help alleviate reliance in the future on external parties for cold storage.

Poulet Arc-en-Ciel Ltée

Market conditions have been particularly testing for our other wholly-owned poultry subsidiary. The company posted a slightly improved turnover for the financial year but suffered from significant margin compression. As was the case for Innodis Poultry, the selling prices of chicken of Poulet Arc-en-Ciel could not be adjusted to cover the full increase in the price of feeds, in view of the extended periods of heavy discounting by other market players on account of their high stocks of frozen chicken, and the resulting cut-throat competition on the market.

To address these issues, a turnaround plan is being implemented. The sales team of Poulet Arc-en-Ciel has been strengthened and, in parallel, resources have been pooled from across the Group to support our new team. These initiatives are expected to bear fruit in the next calendar year. We are confident that increased synergies with Innodis Poultry will help achieve volume growth and restore the profitability of the company.

Moçambique Farms Limitada

The financial year was a year of contrasting halves for our Mozambique poultry operations. In the first half, demand for chicken was low, reflective of a slowing world economy, while during the second half, most performance indicators for the company turned green, heralding better days ahead. Independently however of the external environment, we are pleased to report that Moçambique Farms Limitada recorded important improvements on the back of the successful execution of our Transformation Program. The actions taken have resulted in a simplified operating model and a higher performing plant.

The financial results for the year in fact exceeded our expectations and we anticipate that demand for our products will remain strong for the foreseeable future, although such demand is still dependent to a certain degree on border controls in relation to imported chicken in Mozambique. In any case, we now have a business with a solid base, and should market conditions remain favourable, we have the possibility to gradually scale up production through contract growers, which requires little further investment.

Meaders Feeds Ltd

The year under review was difficult for the animal feed industry worldwide. In fact, the animal production sector in Mauritius recorded a decrease in production due to the limited access of producers to markets in view of the COVID-19 situation. As previously reported, the year was characterised by soaring prices of feeds. This trend has not yet relented and is further exacerbated by high freight costs, putting added pressure on animal production costs for the coming months. Despite these challenges, we are pleased to report that the company has sustained its recovery and posted improved results compared to last year.

To mitigate the impact of high prices of imported raw materials, we are currently exploring alternatives to procure at least some of our raw materials requirements locally. We are also working on innovative products to help reduce the cost of feeds for the benefit of the farming community, which will hopefully provide a boost to the local livestock production and help gradually steer the country towards self-sufficiency.

As mentioned earlier in our report, Mr Reynolds Moothoo has taken over the reins of our subsidiary as Managing Director since the 1st July 2021. Mr Moothoo is no stranger to Meaders Feeds, having contributed to its launch and having also served on the Board of the company for the past years. We are confident that his knowledge and experience in the feeds industry will serve him well in his new functions. He has also been tasked with grooming the Management team to ensure that the company enjoys a professional and sustainable leadership in the future.

MANUFACTURING

The Dairy Division

During the second lockdown, our Dairy team made full use on the teachings gleaned from last year at the outset of the pandemic, and was quick to reorganise production schedules and staff rotations to maintain an uninterrupted supply to the market. With the Hotel, Restaurant and Catering industry severely hit, we focussed our efforts instead on optimising our other distribution channels, and as a result, we managed to reach a turnover close to that of the financial year 2019/2020.

Chairman and CEO'S Report (Continued)

A satisfactory growth was recorded in our DairyVale™ yoghurt category, with strong market penetration of our Greek style yoghurt. Our innovative DairyVale™ Kefir yoghurt drink, launched in August 2020 in four different variants, was also well received, and is poised for further success. We also supplied fruit layered yoghurt to the hotels which served as quarantine centres. Moreover, Ti-Malin™ 125g yoghurt packs for kids were introduced in January 2021.

Our Dairymaid™ Ice Dream 2L and Treat™ 2L tubs were also successfully launched and we had a good response following the introduction of new multipacks, namely Tamarino, Red Devil and Bingolait. However, delayed shipments from South Africa of our imported ice cream lines resulted in out-of-stock situations for several items in our premium range.

While the overall performance of our Dairy unit was admirable given the situation, some important challenges lie ahead of us. The introduction of environmental regulations to restrict the use of single-use plastics, though commendable, will be impacting most of our product ranges. In this regard, we have identified alternative solutions, in consultation with our foreign partners and the local authorities, with a view to shifting to new eco-friendly packaging by January 2022.

Another challenge will be to contain the rising prices of imported raw materials – a problem which mirrors that being faced by our poultry business. To address this issue, we have already started working on cost optimisation programs across our whole production and value chains. Smart procurement of raw materials will also be crucial.

During recent years, we have done well to remain ahead of the competition in terms of innovation and product development. To maintain our edge, we have committed further resources to Research and Development. Looking ahead, we are targeting further growth through the extension of our product portfolios, in particular our Greek style yoghurt, with the launch of further variants in this category, which we are confident will remain unbeatable both in taste and in its health attributes.

We are also alive to the growing concerns of local consumers regarding the sugar content in food items, and during the year, special efforts have also been made to reduce the sugar content of several of our products. We will continue to work in this direction in the future as we roll out new lines in our dairy segment.

Peninsula Rice Milling Co. Ltd

It has been another difficult year for Peninsula Rice Milling Ltd. With the decision of the Government in April 2021 to apply a fixed margin for all rice importers, we had no alternative but to discontinue our local milling activities as they became no longer viable overnight. Instead, we have switched to importing pre-packed rice under our Rimilda™ brand, and this new formula has so far generated an encouraging level of sales compared to previous years.

IMPORTS AND DISTRIBUTION

The Commercial Division

With our borders closed during the financial year under review, only a fraction of our usual sales to the catering and hospitality sector was achieved. This sector normally contributes to some 15% of our turnover. In fact, only a handful of hotels were operational for part of the year to welcome Mauritian residents or to act as quarantine centres. Restaurants and the catering sector in general also operated at a much reduced level, and are still noticeably struggling today to recoup their full customer-base. Mindful of this situation, our sales team applied their efforts towards mitigating the drop in turnover by engaging in more robust sales initiatives in supermarkets.

Unfortunately, at the same time, we had to continue to contend with the high cost of rental of additional cold rooms for the excess stocks of frozen chicken which would normally have been absorbed by the hospitality sector. With many distributors chasing fewer customers, we witnessed an extreme level of competition in the frozen chicken category for a sustained period of time, and this resulted in a significant drop in our margin in this category.

Moreover, consumer sentiment was overall quite depressed during the year, with a loss of purchasing power following job losses, salary cuts, and the rising cost of imported goods due to exorbitant freight costs and the depreciation of the rupee. In fact, towards the end of the financial year, higher global demand for basic commodities has triggered a major price increase of most commodities such as milk, rice, flour and maize. This has increased the cost of production of both locally manufactured and imported products, and has also led the Government to introduce price control on some commodities.

In pre-COVID days, we had already started to observe a trend whereby consumers were proceeding with greater caution in their shopping habits. This trend has been intensified since last year, and impulse buying has pretty much disappeared. Faced with this situation, to remain competitive on the market, we had no other choice than to absorb most of the increase in prices of our products, with only a fraction of that increase being passed on to consumers. This further affected our profitability.

For the next financial year, our main priority is to restore the profitability of our chicken portfolio with enhanced focus on our branded chicken. To this end, we have re-evaluated our strategy, together with our poultry production teams, and we will be working more synergistically together by leveraging on our respective strengths to capture specific market segments. As a matter of fact, we have already begun to witness the first encouraging signs of this new approach.

As reported last year, our local brands will generally remain a key priority area. Although our portfolio will continue to carry a mix of both locally manufactured and imported goods, we believe it is important for us to focus on the growth of our own brands and help the country become less dependent on imports in some product segments. Moreover, after some difficult years where our advertising expenses were kept to a minimal to contain costs, we are now committing more funds to raising awareness of our flagship local brands, namely Prodigal™ in the chicken category, Dairymaid™, Dairyvale™ and Twin Cows™ for dairy products, and Premier™ and Marina™ in the red meat and seafood categories respectively. Our objective is for all these brands to remain or to become top-of-mind and family favorites.

Finally, Research and Development will be another key focus area in the commercial division as well, particularly with a view to sourcing new products which meet the expectations of consumers not only in terms of affordability, but also in relation to their health and environmental attributes, which are becoming more and more important considerations to consumers. We are confident that this approach will continue to fuel growth in all our product lines.

Supercash Ltd

The economic downturn resulting from the COVID-19 restrictions has not spared our Supercash operations, especially our Rodrigues outlets, which particularly suffered from the closure of borders and the reduced inflow of visitors to the island. While our outlets in Mauritius remained resilient enough to report a growth in turnover, sales in our outlets in Rodrigues regressed. However, overall profitability of Supercash improved over the last year.

We expect more challenges ahead, especially with the advent of price fixing on some basic product lines, resulting in margin compression. Moreover, the recent reinforcement of the prohibition of advertising on alcoholic beverages – including in-store promotions - has also impacted sales. However, with the re-opening of borders, we are confident that our operations in Rodrigues will gradually get back on track, and the refurbishment of our Supercash outlet in Rose Belle should also provide a welcome boost to our overall turnover in the coming year.

Other retail channels

The planned extension of our network of Saveurs Plus™ outlets was put on hold during the pandemic. Instead, we devoted our attention and resources to supporting existing franchised shops to help keep them afloat. However, for the next financial year, and barring any other unforeseen circumstances, our team will once again be committed to the expansion of our franchise network, with a view to bringing our offering of chilled chicken cuts and other innovative products to more locations across the island.

On another note, we are pleased to report that our T'Chef™ corners in supermarkets have been gaining traction. Some major retail outlets have adopted the proposed model and more corners are in the process of implementation, albeit with some delays. We expect T'Chef™ to play a significant role for the Group in the coming years, and these corners should particularly benefit from our R&D program, as we continue to push for product innovation to fulfil the evolving needs of consumers.

STAFF ENGAGEMENT AND WELFARE

Our Human Resources department has had to contend with an unprecedented situation as a result of the COVID-19 pandemic. Ensuring that sanitary protocols and gestures become an ingrained habit among staff has been challenging, but our HR staff have managed this task commendably, with the full collaboration of the Management team and members of staff.

Employees have been provided with safety equipment for the performance of their duties in compliance with set sanitary procedures. Vaccination sessions have been organised for our employees across all departments. As at mid September 2021, a vaccination rate in excess of 97% had been recorded at Innodis Ltd. Moreover, virtually all of Poulet Arc-en-Ciel staff have had at least one dose of vaccine and more than 95% of the workforce of Innodis Poultry have been vaccinated.

The COVID-19 restrictions also gave rise to new working habits. Staff working in support functions such as Information Technology, Human Resources, Marketing and Finance, have been encouraged to adopt work-from-home practices. The "new normal" also involved arrangements made to migrate from face-to-face meeting to virtual meetings. Thankfully, these new working conditions have not been disruptive to overall performance. In fact, it has been an opportunity for our staff to showcase how they can be both flexible and nimble in getting the work done. We are nevertheless alive to the fact that this has blurred the lines between work and family life, and we are grateful to our staff for accommodating these changes in the way we work.

COVID-19 aside, several activities were organised during the year for the benefit of our staff. Eye screenings were carried out in August and September 2020 in collaboration with Patel Optics. A pool competition was also organised in collaboration with the FMSC in September 2020, while for the EURO tournament, football fans were called upon to give their predictions for the winners. Finally, our annual end-of-year mass, held on the 9th December 2020, gave us all an opportunity to express gratitude for life's blessings as well as join our hearts together to hope and pray for better times.

Moreover, our training schedule was maintained throughout the year for all levels of employees, in areas such as ISO 14001 implementation (at the Dairy division), Executive Coaching (at the Commercial division), Forklift Training (at the Commercial and the Dairy divisions) and Risk Management (for Executives across all business units). We did not compromise on training, as we believe it is essential for continuous skills and personality development of our staff, who are after all, our key resource.

OUTLOOK

With the rare exception of businesses in the medical and technology sectors worldwide, which have potentially benefitted from increased demand for certain categories of products as a result of COVID-19, most sectors of the economy have been directly or indirectly impacted, and in fact, many local businesses may not have survived the second lockdown, in spite of government support.

It is well-known that difficult experiences help to forge character, strength and resilience. In the case of Innodis, some difficult chapters of our nearly 50 years of existence have carried important lessons that now part of our DNA. These lessons have given us the gift of character and helped us become not only more resilient, but also more agile, over the years. These attributes have served us well during the pandemic.

Looking ahead, it would be tempting to condition our future performance on the health of the economy, and more specifically, on whether the re-opening of our borders will result in a rapid influx of tourists. However, the Group can ill-afford to sit back and rely solely on the economy to start firing up again. That is why our strategy for the near future has revolved around building more dynamism in our work culture. We need a dynamic team, dynamic processes, and perhaps more importantly, a dynamic offering of products that can accompany Mauritian families during these difficult times and beyond, while still enabling our Group to prosper. Our objective therefore going forward is to give ourselves the means to maintain growth and continue to create value for our stakeholders even in the face of new adverse circumstances, which we sense may become the norm in an ever-changing world.

To end this report, we wish to thank our partners and all our stakeholders for their relentless support, which takes a whole new meaning in difficult times. We also once again reiterate our heartfelt gratitude to our staff and members of Management, for their dedication and flexibility. We finally wish to thank the members of the Board for their valuable input throughout the year, not only during our physical and virtual board meetings, but also during our strategic Management forums where several directors have been invited to share their insights on key tactical moves. These discussions have helped to fine-tune the strategic direction of the Group, and we look forward to further fruitful interactions in the future between our Board members and Senior Management.

Thanks to all and keep safe.

Directors' Report

The Directors are pleased to present the annual report together with the audited financial statements of Innodis Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2021. The annual report is published in full on the organisation's website at www.innodisgroup.com. The financial statements of the Group and the Company are set out on pages 48 to 134. The auditors' report on these consolidated and separate financial statements is on pages 44 and 47.

Review of business

The principal activities of the Group comprise production of poultry and dairy products, animal feeds manufacturing, rice milling, distribution and marketing of food and grocery products.

Innodis Ltd is a leader in several of the markets in which it operates (e.g. cheese, juice, chicken franks), or at least a challenger to the market leader (e.g. poultry, yoghurt). Factors that influence the external environment include COVID-19 and the various economic consequences of the restrictions to trade and movement, such as the significant increase in freight cost, the level of competition in each market, the emergence of new players, the growing power of retail outlets, the evolving requirements of consumers, fluctuations in the world prices of petrol and commodities, among others. The Group tackles these challenges by having a diversified offering, by being more and more innovative and efficient, and by pro-actively addressing the needs and aspirations of consumers, in terms of quality, cost, health and environmental-friendliness.

An overview of the growth opportunities being contemplated by the Group - as well as any risks involved - are covered in the Chairman's and CEO's report. Moreover, the Group has already embarked on a strategic integrated approach to create value, which takes into account energy savings and its environmental impact.

Segment information is disclosed in Note 6 to the consolidated and separate financial statements.

Results

For the year under review, the Group and the Company recorded a turnover of Rs 4.53 billion (2020 – Rs 4.49 billion) and Rs 2.61 billion (2020 – Rs 2.67 billion) respectively, whilst profit after tax attributable to shareholders for the Group and the Company amounted to Rs 21 million (2020 – Rs 56 million) and profit Rs 2 million (2020 – Rs 51 million) respectively.

Dividends

Total dividends declared by the Company for the year ended 30 June 2021 were Rs 42 million (2020 – Rs 42 million).

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for:

(i) leading and controlling the organisation and meeting all legal and regulatory requirements;

(ii) adequate accounting records and the maintenance of effective internal control systems;

(iii) the preparation of consolidated and separate financial statements which present a fair, balanced and understandable assessment of the Company's financial, environmental, social and governance position, performance and outlook in its annual report and on its website as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS), the Financial Reporting Act 2004 and the Mauritius Companies Act 2001;

(iv) the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates;

(v) the Company's adherence to the New Code of Corporate Governance (2016);

(vi) the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives, and for ensuring that the Company develops and executes a comprehensive and robust system of risk management; and

(vii) ensuring that an appropriate dialogue takes place among the Company, its shareholders and other key stakeholders.

The Directors further report that:

(i) the Company is a public interest entity as defined by law;

(ii) the Company is headed by an effective Board, and responsibilities and accountabilities within the Company (including at the level of Senior Management) are clearly identified;

(iii) appropriate Board committees, namely the Audit & Risk Committee and the Corporate Governance Committee (which is also tasked with duties regarding remuneration of Senior Management), have been set up to assist the Board in the effective performance of its duties;

(iv) adequate accounting records and an effective system of internal controls and risk management have been maintained;

(v) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;

(vi) International Financial Reporting Standards, the Financial Reporting Act and the Mauritius Companies Act have been adhered to. Any departure has been disclosed, explained and quantified in the consolidated and separate financial statements;

(vii) the Company has an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management, and the Board has established formal and transparent arrangements, namely through its Audit Policy, to appoint and maintain an appropriate relationship with the Company's internal and external auditors;

(viii) there is a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates is conducted, and appointments are made, on the basis of merit, measured against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender);

(ix) they have assessed the Company as a going concern and have a reasonable expectation that the Company will continue to operate for the foreseeable future and meet its liabilities as they fall due; and

(x) they have approved the Audit and Risk Committee, Corporate Governance Committee and Board charters, the Company's Code of ethics, appropriate job descriptions of the key senior governance positions, an organisational chart, and a statement of accountabilities.

Approved by the Board of Directors on 29 September 2021 and signed on its behalf by:

Mr Victor Seeyave
Chairperson of the Board

Mr Jean-Pierre Lim Kong
Director

The home of GREAT BRANDS

We have traditionally partnered with many international brands which are trusted by consumers the world over. Our manufacturing know-how has enabled us to increasingly build up our own local brands, such as Prodigal™, DairyVale™, DairyMaid™ and Twin Cows™, which contributes to food security, and aligns with our commitment to making lives better.

DISTRIBUTION

Corporate Governance Report

Innodis Ltd was incorporated on 25 April 1973 and is listed on the official market of the Stock Exchange of Mauritius Ltd (SEM) since 1996. The company falls under the definition of a public interest entity as defined by the Financial Reporting Act and is governed by the Listing Rules of SEM.

Innodis Ltd and its subsidiaries is further governed by its Constitution, its Board Charter, Companies Act 2001 and the National Code of Corporate Governance (2016).

The Board is aware of its responsibilities for applying and implementing within the Company the eight principles contained in the National Code of Corporate Governance (2016). The Board is committed to attaining and sustaining the highest standards of Corporate Governance with the aim of creating long-term value for the shareholders and stakeholders at large.

Constitution of the Company

The Constitution of the Company does not provide for any restrictions in relation to the ownership of shares.

Save and except where the terms of issue of any class of shares – as may be determined by the Board - specifically provides otherwise, all new shares are, before issue, offered to existing holders in proportion to their existing shareholdings.

The Constitution of the company can be viewed on its website.

Disclosures and engagement with Stakeholders

The Board is committed to fair financial disclosure for its shareholders and all the stakeholders at large. The Company holds an annual meeting of shareholders, where relevant stakeholders are given the opportunity to be involved in a dialogue on the Company's position, performance and outlook at the annual meeting of shareholders.

Code of ethics

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. It reflects its diversity and unique culture. Adequate grievances and disciplinary procedures are in place to enable enforcement of the Code of Ethics. The Code of Ethics can be viewed on the Company's website.

Board size and composition

To determine its current size and composition, the Board has taken into account (a) the size, complexity and diversity of its operations, (b) the various qualifications and experience of its members, (c) the recommendations of the Code. The Board is satisfied that it is currently of a size and level of diversity that is commensurate with the sophistication and scale of Innodis Group.

There is an appropriate combination of two executive directors, six non-executive directors and two independent directors. The directors come from diverse business backgrounds and possess the necessary knowledge, skills, objectivity, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Company, independent of management.

The list of the directors and their profiles are included on pages 22 to 23 of the Annual Report.

Governance Structure

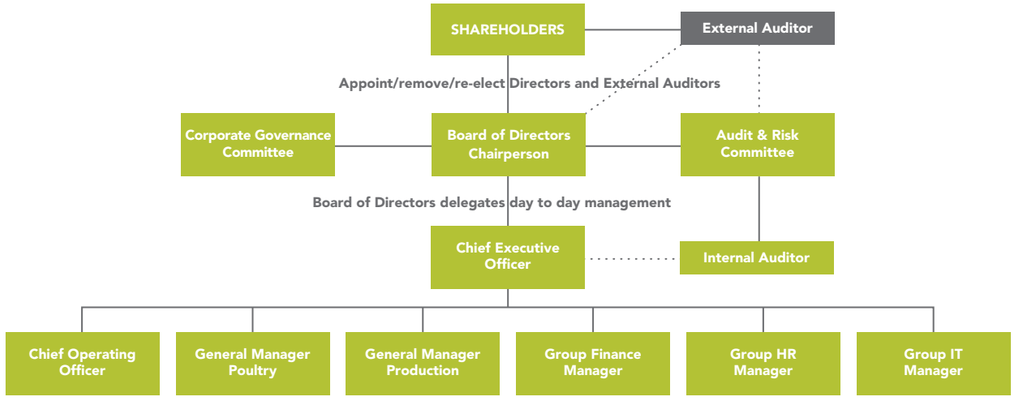
The Company operates within a defined governance framework, as explained in the chart below, through delegation of authorities and clear lines of responsibility.

Governance and organisational structure and major accountabilities

Shareholders have the power to appoint, re-elect and/or remove Directors.

The Management of the Company is vested to the Board which has all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the company.

The Board has created 2 sub committees and each operate within approved terms of reference. At Board meeting reports from sub committees are on the agenda. The Chairperson of each subcommittee is invited to brief the Board on the matters discussed at the committees and make the necessary recommendations where applicable.



Corporate Governance Report (Continued)

The Board

The Board meets on a quarterly basis and at such ad hoc times as may be required. Its main functions include the following:

- Reviewing and evaluating present and future opportunities, threats and risks in the external environment, and current and future strengths, weaknesses and risks relating to the Company;
- Determining strategic options, selecting those to be pursued, and resolving the means to implement and support them;
- Determining the business strategies and plans that underpin the corporate strategy;
- Ensuring that the Company's organisational structure and capabilities are appropriate for implementing the chosen strategies;
- Delegating such authority and power to management as may be deemed appropriate and monitoring and evaluating the implementation of policies, strategies and business plans;
- Ensuring that internal controls are effective;
- Overseeing information governance within the Group and ensuring that information assets are managed effectively;
- Communicating with senior management;
- Ensuring that communications both to and from shareholders and relevant stakeholders and all strategic partners are effective; and
- Understanding and taking into account the interests of shareholders and relevant stakeholders in policy and strategy implementation.

Succession Planning

The Board assumes the responsibilities for succession planning and has developed a succession plan that is updated as and when required; it ensures that there is a strong team assisting the Chief Executive Officer at all times. The profiles of the Senior Managers are disclosed from pages 40 to 41.

The structure of the Board and its Committees

The Board has a unitary (one-tier) structure. Directors on the Board are independently minded. There are 10 directors sitting on the board as follows:

NAME	GENDER	COUNTRY OF RESIDENCE	BOARD APPOINTMENT	COMMITTEE APPOINTMENT
Victor Seeyave	M	Mauritius	Non-Executive Chairperson	Chairperson of the Corporate Governance Committee and Board of Directors
Jean-Pierre Lim Kong	M	Mauritius	Executive Director (Chief Executive Officer)	
Maurice de Marassé Enouf	M	Mauritius	Non-Executive Director	Member of the Corporate Governance Committee and Member of the Audit and Risk Committee
Imrith Ramtohul	M	Mauritius	Non-Executive Director	Member of the Corporate Governance Committee
Sheila Ujoodha	F	Mauritius	Independent Director	Chairperson of the Audit and Risk Committee
Richard Luk Tong	M	Mauritius	Non-Executive Director	Member of the Audit and Risk Committee
Pauline Seeyave	F	Mauritius	Non-Executive Director	
Jean How Hong	M	Mauritius	Non-Executive Director	
Vivekanand Ramtohul	M	Mauritius	Executive Director	
Roshan Ramoly*	M	Mauritius	Independent Director	Member of the Audit and Risk Committee

***Roshan Ramoly was appointed as Director on 01.01.2021**

The Company Secretary is Box Office Ltd. The latter has as partners two qualified Chartered Secretaries, Mrs. Sophie Gellé and Mrs. Sylvia Maigrot. The main contact of the Company is Mrs. Sophie Gellé.

Corporate Governance Report (Continued)

Profiles of Directors and details of external appointments

Corporate Governance Report (Continued)

Victor Seeyave

NON-EXECUTIVE CHAIRPERSON

Chairperson of the Corporate Governance Committee

Victor is the holder of a BA in Economics (UK) and an MBA (USA). He is currently the Managing Director of Altima Ltd and previously held several management positions in the foods division of the Group. He is a director of Swan General Ltd and of Swan Life Ltd. He is currently the Chairperson of the Corporate Governance Committee of Innodis Ltd and Chairperson of the Board.

Jean-Pierre Lim Kong

EXECUTIVE DIRECTOR

Jean-Pierre is the Chief Executive Officer of Innodis Ltd since 1st January 2017. He previously held the position of General Manager for Finance and Administration of the company from 2000 to 2005. Jean-Pierre is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc (Hons) in Mathematics and Management Studies from King's College London. Prior to joining Innodis Ltd, he worked for KPMG's audit and consulting practices in London, the business advisory departments of KPMG and DCDM Consulting in Mauritius, and for the Cim Group in Mauritius, first as Managing Director of Cim Finance Ltd and subsequently as Group Chief Finance Executive. He currently chairs the Listing Executive Committee of the Stock Exchange of Mauritius. Jean-Pierre also served on the Board of the Mauritius Institute of Directors for three years. He does not hold any directorship in other listed companies.

Vivekanand Ramtohul

EXECUTIVE DIRECTOR

Vivek is a Fellow of the Association of Chartered Certified Accountants and the Head of finance of Innodis Ltd. Vivek has more than 23 years of experience in the agro-industry and the commercial sector, with exposure in the shipping and IT industries. He is a director and a member of the Audit Committee of Ariva Ltée. He also chairs the Audit and Risk Committee of Meaders Feeds Ltd. Vivek does not hold any directorship in other listed companies.

Maurice de Marassé Enouf

NON-EXECUTIVE DIRECTOR,

Member of the Audit and Risk Committee and of the Corporate Governance Committee

Maurice retired in 2001 after 29 years of service as Finance Manager of the WEAL group of Companies. He is a Non-Executive Director of Mauritius Oil Refineries Ltd. He is currently a member of the Audit and Risk Committee and a member of the Corporate Governance Committee of Innodis Ltd. He is also a member of the Audit and Risk Committee of the Mauritius Oil Refineries Ltd.

Sheila Ujoodha

INDEPENDENT DIRECTOR

Chairperson of the Audit and Risk Committee

Sheila is the Chief Executive Officer and Executive Director of the Mauritius Institute of Directors (MIoD) and has 22 years of hands-on experience in internal audit, risk management, corporate governance and process improvement on both the local and international market.

Sheila Ujoodha holds a BSc (Hons) in Accounting. As a fellow member of the Chartered Institute of Certified Accountants and the MIoD, Sheila's membership extends to the Mauritius Institute of Professional Accountants. Sheila's participation extends to the Audit Committee Forum (ACF) and the Directors Forum, where she is presently the Chairperson.

Sheila was awarded the CMO Africa Woman Leadership Award in 2017 for her contribution as a business leader displaying her best in the professional field. In 2019, she was conferred the Africa Impact Leadership Award at the SADC Women Forum and was induced into the SADC Women Leaders Hall of Fame.

She joined British American Tobacco (Mauritius) as the Internal Audit Manager in 2001. In March 2005, she was employed as General Manager of the Risk & Audit Department of Rogers Group and was subsequently appointed as Chief Risk & Audit Executive in 2007. Sheila joined the Cim Group in the same capacity in October 2012 to February 2018. She was recently the Managing Director of SmarTree Consulting Ltd from March 2018 to November 2020.

She is also a director of Alteo Ltd (Listed Companies), SmarTree Consulting Ltd and Chairperson of the Audit & Risk Committee of Alteo Ltd.

Richard Luk Tong

NON-EXECUTIVE DIRECTOR

Member of the Audit and Risk Committee

Richard is the Head of Finance of Altima Group, with both past and present experience in the textile, shipping, consumer services, property development, business process outsourcing and global business industries. Richard also has strong IT skills, including the analysis and design of computerised systems and accounting software implementation. He is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and an Associate of the Chartered Institute of Securities and Investments (ACSI). He does not hold any directorship in other listed companies.

Jean How Hong

NON-EXECUTIVE DIRECTOR

Jean was the Chief Executive Officer of Innodis Ltd from 2009 to 2016. Jean holds a Diploma in Sugar Technology (School of Agriculture, University of Mauritius). He had assumed the functions of Executive Director of Mauritius Farms Ltd, General Manager (Commercial Division) of Happy World Ltd and Chief Operating Officer of the Company from 2005 to 2008. He chaired the Corporate Governance Committee of Meaders Feeds Ltd until 30th June 2018 Ltd. He is also a director of the African Domestic Bond Fund & the MCB India Sovereign Bond ETF.

Imrith Ramtohul

NON-EXECUTIVE DIRECTOR

Member of the Corporate Governance Committee

Imrith is the Senior Investment Consultant at Aon Solutions Ltd (Mauritius), a position he has held since 2012. Prior to Aon Solutions, Imrith was the Head of Investment at Mauritius Union Group. He also previously worked at the Stock Exchange of Mauritius and at subsidiaries of South African banking groups Rand Merchant Bank and Nedbank. Imrith has 21 years of financial industry experience and has been cited in a number of media outlets. He was a member of the CFA Institute Global Investment Performance Standards (GIPS) Asset Owners Subcommittee between 2012 and 2017. Imrith graduated with honours from the University of Cape Town, with a Bachelor of Business Science (Honours) degree. He is a CFA Charter holder, has earned the right to use the Certificate in Investment Performance Measurement (CIPM) designation and is a Fellow of the Association of Chartered Certified Accountants UK (FCCA).

Pauline Seeyave

NON-EXECUTIVE DIRECTOR

Pauline was appointed as a director of Innodis Ltd as from 1st January 2018. She is currently the Group Chief Financial Officer of New Mauritius Hotels Limited. She holds a M.A. (Cantab) Economics from St Catharine's College, University of Cambridge and is a member of the Institute of Chartered Accountants in England and Wales. Pauline has over 20 years of working experience in the UK and Mauritius. She has managed client portfolios in Audit and Business Assurance and has occupied senior executive roles in banking, across finance, risk management, credit, project finance and corporate banking. In the past, she has served on the boards of SBM Bank (Mauritius) Ltd and State Insurance Company of Mauritius Ltd. She is also a director of New Mauritius Hotels Limited and Semaris Ltd (listed companies).

Roshan Ramoly

INDEPENDENT DIRECTOR

Member of the Audit and Risk Committee

Roshan holds an MBA from Durham University Business School and has worked in the financial services and banking industry, within the Cim Group and Barclays Bank Mauritius, for more than 15 years at senior managerial levels. He is currently the Director of LinearArc Solutions, which is a corporate training institute and that lends support to startups through its business incubator. Roshan's experience is mainly in the fields of strategy, stockbroking, customer experience, marketing and communications. He also acts as an independent director on several boards, including Bluelife (a listed Company) and SBM Capital Markets.

Corporate Governance Report (Continued)

Directors' attendance at Board meetings for the period from 1 July 2020 to 30 June 2021

	BOARD MEETINGS					
	08.07.2020	23.09.2020	13.11.2020	10.02.2021	12.05.2021	28.06.2021
Victor Seeyave	√	√	√	√	√	√
Maurice de Marassé Enouf	√	√	√	√	√	√
Imrith Ramtohul	√	√	√	√	√	√
Jean-Pierre Lim Kong	√	√	√	√	√	√
Sheila Ujoodha	√	√	√	√	√	√
Pauline Seeyave	√	√	√	√	√	√
Jean How Hong	√	x	√	√	√	√
Richard Luk Tong	√	√	√	√	√	√
Reynolds Moothoo*	√	√	x	n/a	n/a	n/a
Vivekanand Ramtohul	√	√	√	√	√	√
Roshan Ramoly**	n/a	n/a	n/a	√	√	√

*Mr. Reynolds Moothoo ceased to act as Director of the Company on 03.12.2020
**Mr Roshan Ramoly was appointed as Director of the Company on 01.01.2021

Board orientation and training for new Directors

New Directors receive an induction and orientation upon joining the Board. Management is also responsible for briefing new directors on the Group's business.

Training of Directors

Training of Directors may comprise of externally conducted courses in matters of relevant interest to the Company.

Chairperson

The Chairperson, Mr Victor Seeyave, has no executive or management responsibilities and chairs meetings of the Board and of shareholders. The Board ensures that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.

The Chairperson's primary functions are to:

- preside over the meetings of directors and ensure the smooth functioning of the Board in the interests of good governance;
- provide overall leadership and encourage active participation of all directors; and
- ensure that all the relevant information and facts are placed before the Board to enable the directors to reach informed decisions and maintain sound relations with the Company's shareholders.

Executive Directors / Chief Executive Officer (CEO)

There are two Executive Directors on the Board. The post of CEO is held by Mr. Jean-Pierre Lim Kong who is also a Director and reports to the Board of Directors.

The CEO is responsible for the day-to-day management of the Company and works in close collaboration with the management team, the Board and the Committees.

Independent Directors

The company has two Independent Directors.

The Board considers that an independent director is a board member who normally:

a) has not been an employee of the company or group within the past three years;

b) has not, or has not had within the past three years, a material business relationship with the company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;

c) has not received or receive additional remuneration from the company apart from a director's fee or as a member of the company's pension scheme;

d) is not a nominated director representing a significant shareholder;

e) does not have close family ties with any of the company's advisers, directors or senior employees;

f) does not have cross directorships nor significant links with other directors through involvement in other companies or bodies; and

g) has not served on the board for more than nine years from the date of their first election.

There are currently 2 women out of 10 members on the Board, namely Miss Pauline Seeyave and Mrs Sheila Ujoodha.

The Company therefore complies with the Code of Corporate Governance, which stipulates that the Company shall have at least two independent directors, at least two executive directors, and at least one female director.

Corporate Governance Report (Continued)

BOARD COMMITTEES

The Board has two standing committees to assist in the discharge of its duties: the Audit and Risk Committee and the Corporate Governance Committee. The committees meet regularly under the terms of reference set by the Board. The Chairperson of each committee has the responsibility to report to the Board regarding all decisions and matters arising at each Board meeting. The committees may from time to time seek independent professional and consultancy services, and any recommendations in connection therewith are subject to the approval of the Board. The charters of the Committees are, if necessary, subject to review every two years for the Corporate Governance Committee Charter and every 5 years for the Audit and Risk Committee charter.

Corporate Governance Committee

The Corporate Governance Committee comprises of three non-executive directors as follows:

- Victor Seeyave (Committee Chairperson) – Non-Executive Director
- Imrith Ramtohul – Non-Executive Director
- Maurice de Marassé Enouf – Non-Executive Director

Given the nature, size and moderate complexity of the business, the functions that would have normally been entrusted to a remuneration committee and to a nomination committee are discharged by the Corporate Governance Committee, which submits its recommendations to the Board for approval.

The Corporate Governance Committee charter can be viewed on the Company's website. The Committee members met thrice during the financial year. The main terms of reference of the Corporate Governance Committee are to:

In terms of Corporate Governance:

- make the necessary recommendations to the Board so that the corporate governance culture of the Company is consistent with the eight principles contained within the New Code of Corporate Governance (the Code);
- review and make adequate recommendations to the Board for the approval of the corporate governance report to be published in the Company's annual report;
- ensure that the website includes the key governance documents;
- periodically review and evaluate the effectiveness of the Company's Code of Business Conduct and Ethics; and
- review all related party transactions and situations involving board members and refer where appropriate to the Board.

In terms of Nomination:

- ensure that the board has a right balance of skills, expertise, knowledge and independence and make recommendations to the Board with regards to any changes;
- make recommendations regarding the composition of the Board and the balance between executive and non-executive directors;
- take the lead for the self-appraisal exercise for directors;
- give full consideration to succession planning for directors and other senior executives in the course of its work; and
- review the Directors' fees policy.

The attendance at Corporate Governance Meetings from 01 July 2020 to 30 June 2021 was as follows:

	CORPORATE GOVERNANCE COMMITTEE MEETINGS		
	28.09.2020	10.02.2021	12.05.2021
Victor Seeyave (Committee Chairperson)	√	√	√
Maurice de Marassé Enouf	√	√	√
Imrith Ramtohul	√	√	√

Common directorships are disclosed on pages 22 to 23 under the Directors' profiles.

Audit and Risk Committee (ARC)

The Audit and Risk Committee consists of two independent directors, including its Chairperson, and two Non-Executive Directors, as follows:

- Sheila Ujoodha (Committee Chairperson) – Independent Director
- Roshan Ramoly – Independent Director (appointed as ARC member on 01 January 2021)
- Maurice de Marassé Enouf – Non-Executive Director
- Richard Luk Tong – Non-Executive Director

The Audit and Risk Committee Charter can be viewed on the company's website. The Audit and Risk Committee met 4 times during the financial year and the members of the Committee have examined and tabled their views on the financial reports prior to the publication of the audited consolidated and separate financial statements, as well as reports from the Internal and External Auditors.

The main terms of reference of the Audit and Risk Committee are to:

- examine and review the quality and integrity of the interim financial statements, annual financial statements as well as preliminary announcements relating to the company's financial performance and the annual report prior to their release;
- review and report to the Board on significant financial reporting issues and judgements which the financial statements contain, having regard to matters communicated to the Committee by the Internal and/or External Auditor;
- meet with Management, the internal auditor and the external auditors to review the financial statements, the critical accounting policies and practices, and the results of their audit;
- ensure that significant adjustments, unadjusted differences, disagreements with Management and management letters

Corporate Governance Report (Continued)

are discussed with the external auditors and where applicable, reported to the Board;

- evaluate the overall effectiveness of the internal control and risk Management frameworks;
- review regularly the risk register and ensure that the Company is adequately insured;
- ensure that the Company has an appropriate internal and external audit function and make recommendations to the Board in relation to the appointment, termination and remuneration of internal and external auditors;
- review the proposed internal and external audit plans;
- review the Company's process compliance with legal and regulatory requirements affecting financial reporting and, if applicable, its code of business conduct;
- review and monitor Management's responsiveness to internal auditor's findings and recommendations; and
- oversee the Company's compliance with legal and regulatory provisions, its Constitution, Code of Ethics, by-laws and any other rules or policy established by the Board.

For the year under review, there were no significant issues in relation to the financial statements.

The attendance at Audit and Risk Committee Meetings from 01 July 2020 to 30 June 2021 was as follows:

	AUDIT AND RISK COMMITTEE MEETINGS			
	23.09.2020	11.11.2020	03.02.2021	05.05.2021
Maurice de Marassé Enouf	√	√	√	√
Sheila Ujoodha	√	√	√	√
Richard Luk Tong	√	√	√	√
Roshan Ramoly*	n/a	n/a	√	√

*Mr Roshan Ramoly was appointed as member of the ARC on 01 January 2021.

AUDIT

Internal Audit Function

The Internal Audit & Risk Manager reports directly to the members of the Audit and Risk Committee to maintain its independence and objectivity, and administratively to the Chief Executive Officer. The Audit and Risk Committee approves the yearly plan of the Internal Audit & Risk Manager, which comprises the following main responsibilities:

- Determining the adequacy and effectiveness of the systems of internal accounting and financial reporting of the Company & Group;
- Reviewing management controls designed to safeguard Company & Group resources and verify the existence of such resources;
- Determining whether adequate controls are incorporated into information technology systems and the overall IT administrative functions;
- Appraising the use of resources with regard to cost, efficiency and effectiveness;
- Reviewing compliance with Company & Group policies, plans and procedures to ensure achievement of business objectives;
- Investigating suspected fraudulent activities within the organisation and notifying the Audit and Risk Committee and Management of the results;
- Coordinating with and having oversight of other control and monitoring functions (risk management, quality assurance, security and safety);
- Issuing periodic reports to the Audit and Risk Committee on the results of audit activities and management plans to address audit observations; and
- Following-up of implementations of action plans to address significant weaknesses identified.

The Internal Audit team has unrestricted access to the records, management and employees of the Group. The Internal Audit & Risk Manager has the responsibility of ensuring that internal controls are implemented at Group level.

The internal audit function is regularly monitored and reviewed by the Audit and Risk Committee to ensure that internal control systems are effective.

The structure of the Internal Audit function and qualifications of the Internal Audit & Risk Manager is listed on the company's website.

During the FY2021, the Internal Audit & Risk Manager was mandated by the Audit & Risk Committee to carry out special assignments on:

- Trade & other receivables – to review the process of credit facilities and approval limits;
- Procurement – to ensure that procurement strategies are aligned with market demand; and
- Sales process – to ensure that all policies and procedures relating to invoicing, pricing, discounts are properly captured specially with the current difficult economic conditions where from time to time employees are requested to work from home.

DIRECTOR APPOINTMENT PROCEDURES AND RE-ELECTION OF DIRECTORS

The Board, committees and individual directors have their performance evaluated and are held accountable to appropriate stakeholders.

Corporate Governance Report (Continued)

The directors are normally appointed by shareholders by an ordinary resolution at the Annual Meeting. In accordance with the Constitution of the Company, the Board may also appoint any person to be a director, either to fill a casual vacancy, or as an addition to the existing directors. Moreover, the Board may appoint any of the managers of the Company as an executive director and may limit the powers of the latter.

All directors, whether appointed by a resolution of shareholders or by the directors, hold office only until the next Annual Meeting, at which time they shall retire, or shall be eligible for re-election. The Board assumes the responsibilities for succession planning and for the induction of new directors. All new directors have attended and participated in an induction and orientation process. The Board has the duty to review the professional development and ongoing education of directors.

BOARD, DUTIES, AND INTERESTS AND PERFORMANCE

The directors are aware of their legal duties and observe and foster high ethical standards and a strong ethical culture in the Company. Each director allocates sufficient time to discharge his or her duties effectively. Any conflicts-of-interest and related-party transactions that arise are dealt with in accordance with the Code of ethics. The Board is responsible for the governance of the Company's information strategy, information technology and information security. The Board, committees and individual directors are supplied with information in a timely manner and in an appropriate form and quality to allow them to perform their duties effectively.

BOARD EVALUATION

Board evaluation is carried by way of a Director's self-appraisal carried every two years. The last exercise was carried out in the last quarter of 2020 and included also a part on the evaluation of the two sub-committees. No independent board evaluator was appointed.

For the evaluation, the Directors are normally invited to fill in a questionnaire, in which the questions are categorized under the following themes:

- company's relationship and communication with shareholders;
- the structure of the board;
- board efficiency;
- board leadership and management relations;
- directors' powers and duties;
- ethics;
- committees;
- risks;
- corporate governance; and
- individual assessment.

RISK GOVERNANCE AND INTERNAL CONTROL

The Board is responsible for risk governance and ensures that the Company and its subsidiaries develop and execute a comprehensive and robust system of risk management and maintains a sound internal control system.

Risk Management Function

The Directors recognise that the Board has the overall responsibility for the risk management and internal control mechanisms of the Company. The Board, has, through its Audit and Risk Committee, (a) monitored and evaluated the Company's strategic, financial, operational and compliance risks, and (b) developed and implemented appropriate frameworks and effective processes for the sound management of risks.

Management assists the Board in implementing, operating and monitoring the internal control systems which manage the risks of calamities and failure to achieve business objectives, and provide reasonable but not absolute safeguards against material misstatements or losses. The systems of internal controls put in place by management include:

- the maintenance of proper accounting records;
- the implementation of the policies and strategies approved by the Board;
- the regular assessment of specific risk managements such as – market risks, credit risks, liquidity risks, operation risks, commercial risks, technological risks, compliance risks and human resource risks; and
- the overseeing and reviewing on an ongoing basis of the risks associated with occupational health and safety, as well as environmental issues.

Management has a well-designed structure for the identification and management of risks through stringent controls. This provides the directors a certain level of assurance that risk management processes are in place and effective.

During the FY2021 a Risk Management exercise was performed at the Group level where the Group Business Risk register was reviewed and revamped so as to ensure business continuity including management of risks, alleviation of risks with employees working from home, cyber-attacks, and risks of being infected with Covid -19.

Whistle-blowing procedures are outlined in the Code of Ethics of the company. Reports are made to the HR Manager or CEO and the whistle-blowers may request their identities to be kept confidential. Reporting can also be effected solely to the Chairperson of the Audit and Risk Committee regarding sensitive matters that may involve Management.

Corporate Governance Report (Continued)

DIRECTORS' SERVICE CONTRACTS

The existing service contracts between the Company or any of its subsidiaries and their directors are as follows:

- Between Jean-Pierre Lim Kong and Innodis Ltd: Chief Executive Officer; and
- Between Reynolds Moothoo and Meaders Feeds Ltd: Managing Director.

COMPANY SECRETARY

The secretary of the Company is Box Office Ltd. The latter offers corporate services, secretarial services, and business facilitation services, with a portfolio of more than 200 business entities consisting of listed companies on the Stock Exchange of Mauritius Ltd, public interest entities, public, private and small private companies, partnerships and associations in all fields of activity. The partners of the company are Sylvia Maigrot, ACIS, and Sophie Gellé, ACIS. More information may be obtained on the latter on its website at www.box-office.mu.

The Company Secretary has access to the Board members and Directors may separately and independently contact the Company Secretary who attends and prepares minutes for all Board meetings.

The Company Secretary's role is defined, and includes the responsibility for:

- providing the Board with guidance as to how their duties and responsibilities should be properly discharged in the best interests of the Company and in accordance with the Companies Act 2001, the Constitution of the Company and the Code of Corporate Governance;
- drafting the agenda of Board and Board committee meetings in consultation with the Chairperson and the CEO;
- circulating agendas and any supporting papers to Directors in good time;
- convening, attending and drafting of minutes of Board and Committee Meetings and Shareholders' meetings;
- checking that the required quorums of meetings are present; and
- assisting the Chairperson in organising Board evaluations and training programs.

The appointment and dismissal of the Company Secretary are matters requiring the Board's approval.

SHARE OPTION PLAN

The Group and the Company have no share option plans.

LEADERSHIP

Directors and members of Management exercise the utmost good faith, honesty and integrity in all their dealings with or on behalf of the Company. They are well versed with the day-to-day transactions of the Company and are sufficiently experienced and qualified to fulfil their roles and functions.

The Board regularly monitors and evaluates compliance with the Code of ethics.

INTERESTS REGISTER

The Company Secretary maintains an interest register, which is available for consultation to shareholders upon written request to the Company Secretary. The interest register is amended as and when declaration are made by the directors. During the financial year, the following entries were made in the Directors' interests register:

- Mrs Sheila Ujoodha declared her interest in Smartree Consulting Ltd with which the Company availed for training to raise awareness and strengthen the risk management framework at Management level
- Mr Roshan Ramoly declared his interests as Director of a subsidiary of SBM Holdings Ltd (non-bank side), with which the Company availed for banking facilities.

INFORMATION, INFORMATION TECHNOLOGY AND INFORMATION SECURITY GOVERNANCE

The information technology and information security policy of the Group is available for consultation on the Company's website.

The Board oversees information governance through its Audit & Risk Committee, which itself supervises the Internal Audit function, which has no restrictions to its right of access to information.

All significant expenditures on information technology are approved by the Board, following recommendations and explanations provided by Management in that respect.

REMUNERATION

Statement of remuneration philosophy

- The Board is transparent, fair and consistent in determining the remuneration policy for directors and senior executives. The remuneration of senior executives is generally aligned with the salary packages in the industry. The Group believes that adequate remuneration is essential to attracting and retaining talent and to motivating our key executives to perform at their best.

  The Board's Corporate Governance Committee has reviewed the remuneration of key executives, including the Chief Executive Officer. The level of remuneration is based on a formal assessment of performance in accordance with agreed target parameters and is in line with market trends.

Corporate Governance Report (Continued)

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

A statement showing the remuneration of executive and non-executive directors is shown below:

	FY2021 Rs
Executive Directors	
Jean-Pierre Lim Kong	10,124,379
Vivekanand Ramtohul	3,203,250
Non-Executive Directors	
Victor Seeyave	634,000
Jean How Hong	255,000
Pauline Seeyave	270,000
Richard Luk Tong	462,000
Maurice de Marassé Enouf	622,000
Imrith Ramtohul	430,000
Independent Directors	
Sheila Ujoodha	618,000
Roshan Ramoly	231,000

PROCUREMENT FUNCTION

One of the key risk areas of the Group is the procurement function. As such, Management has set up a separate procurement committee. The aims of the Procurement Committee are to prioritise and manage risks across the entire supply chain. The Procurement Committee currently reports to the Chief Executive Officer and its main terms of reference are to:

- identify and manage procurement risks according to their chances of occurrence and severity;
- provide guidelines on procurement;
- make recommendations for the selection of suppliers to ensure best value for money is received, and the adequacy of stocks, taking into consideration cash flow requirements; and
- set the highest possible ethical standards and best practices for procurement through defined policies and monitoring.

SUSTAINABILITY REPORTING

Health, Safety, Social and Environmental policies

The Group has developed and implemented social, safety, health and environmental policies and practices that in all material respects comply with existing legislative and regulatory frameworks.

The Group carries out regular risk assessments to ensure that all production units are operated in such a manner as to minimise damage to the environment and the neighbourhoods. Regular training sessions, both in-house and outsourced, are also provided to our staff to ensure that health and safety cultures prevail within the Group and that everyone is well informed about health and safety policies in place.

Health and Safety committees, consisting of representatives of both Management and employees, are held every two months. The objectives of this committee are to promote cooperation between the employer and the employees and to discuss projects and plans in order to promote the health and safety culture at Innodis.

A COVID-19 Committee has been set up since March 2020 to oversee the implementation, in collaboration with the HR department, of all safety measures across the Group as well as actions to be taken in case of the detection of positive cases among members of staff.

Moreover, Innodis Poultry Ltd is ISO 45001 certified in relation to workplace risks. This certification replaces OHSAS 18001.

The Group operates its day-to-day activities in a way that is aligned as far as possible with green, environmentally-friendly and energy-saving principles, paying special attention to the regular maintenance and optimal use of its fleet of vehicles to minimise carbon emissions. The used engine oil of our vehicles as well as the plastic, paper and carton waste products at our commercial division are routinely recycled. In line with the local regulations regarding the restriction of single use plastics, the Group is also looking into new eco-friendly packaging solutions, namely for its dairy products.

- ISO 14001 certification

Innodis Poultry Ltd and our Dairy division are ISO 14001 certified, which helps us identify areas where we can further improve on waste handling and recycling, make best use of our natural resources, create opportunities for environmental benefits, care even more for our animals, water, energy utilisation, and protect the air and the soil.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group is fully committed to Corporate Social Responsibility and collaborates with the Innodis Foundation and NGOs involved in activities that it considers to be high on its priority list of interventions namely the:

- assistance to the alleviation of poverty;
- promotion of education and training to vulnerable groups;
- assisting in developing a healthy nutrition programme for the needy; and
- supporting projects for the protection of the environment.

The Group did not make any political donations during the year under review.

Corporate Governance Report (Continued)

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

Annual Meeting

The notice of the Annual Meeting will be available on the Company's website. The list of shareholders' meeting's questions and answers and votes are not published on the website as shareholders can have access to the minutes of the said meetings in accordance with section 226 of the Mauritius Companies Act 2001. The minutes of the 2021 Annual Meeting will be available to shareholders as from two months after the Annual Meeting date.

Substantial Shareholders

The shareholders holding more than 5% of the ordinary shares of the Company at 30 June 2021 were:

- Foods Div Ltd – 33.73%
- Altima Ltd – 13.07%
- National Pension Fund – 7.98%

Summary of shareholders by category

Investment & Trust	1.30%
Individuals	16.43%
Pension & Provident Funds	3.54%
Insurance & Assurance	9.16%
Other Corporate Bodies	69.57%

Shareholding Profile

SIZE OF SHAREHOLDING	NO OF SHAREHOLDERS	NO OF SHARES OWNED	%
1 – 500	3,168	404,680	1.10
501 – 1,000	483	376,854	1.03
1,001 – 5,000	683	1,579,856	4.30
5,001 – 10,000	155	1,079,943	2.94
10,001 – 50,000	133	2,742,906	7.47
50,001 – 100,000	28	2,017,260	5.49
100,001 – 250,000	15	2,276,508	6.19
250,001 -1,000,000	8	2,845,735	7.75
Over 1,000,000	7	23,406,524	63.73
	4,680	**36,730,266**	**100.00**

Directors and senior officers' interests and dealing in shares and their shareholding in the company.

The Directors use their best endeavours to follow the principles of the model Code on Securities Transactions by Directors (as detailed in Appendix 6 of the Stock Exchange listing rules).

Corporate Governance Report (Continued)

The Directors' and Senior Officers' direct and indirect interests in shares of the Company at 30 June 2021 were as follows:

	2021 Direct holding Number	2021 Indirect holding %	2020 Direct holding Number	2020 Indirect holding %
Directors :				
Pauline Seeyave	**5,734**	**-**	5,734	-
Maurice de Marassé Enouf	**533**	**-**	533	-
Jean How Hong	**39,218**	**0.0065**	39,218	0.0065
Victor Seeyave	**-**	**30.45**	-	30.45
Imrith Ramtohul	**24,242**	**0.0041**	24,242	0.0041
Jean Pierre Lim Kong	**5,001**	**-**	5,001	-
Richard Luk Tong	**262**	**-**	262	-
Vivekanand Ramtohul	**-**	**-**	-	-
Sheila Ujoodha	**-**	**-**	-	-
Roshan Ramoly	**-**	**-**	-	-
Senior Officers :				
Sonny Wong	**-**	**-**	-	-
Rahim Bholah	**2,000**	**-**	2,000	-
Rajneetee Beeharry	**-**	**-**	-	-
Oliver Fanchette	**-**	**-**	-	-
Zaheerud Deen Kaudeer	**-**	**-**	-	-
Gerard Nien Fong	**-**	**-**	-	-
Amrith Dass Nunkoo	**310**	**-**	310	-
Deven Ramasawmy	**-**	**-**	-	-
Christina Sam See Moi	**-**	**-**	-	-
Dimple Seechurn	**-**	**-**	-	-
V.N.Reynolds Moothoo	**-**	**-**	-	-
Box Office Ltd	**-**	**-**	**-**	**-**

Corporate Governance Report (Continued)

CONTRACT OF SIGNIFICANCE

The Company has a Technical and Advisory services agreement with Altima Ltd, whereby the latter provides advice, guidance and assistance to the Group in the following areas: strategy, accounting and finance, legal, corporate communications, and marketing. There is no other contract of significance between the Company or any of its subsidiaries and a third party, in which a director is materially interested directly or indirectly, for the year under review.

COMMUNICATION

Innodis strongly believes in an open, honest and meaningful interaction with all those involved with the Group, and one of the key objectives of the Board is to adequately cater for the information requirements of all our shareholders and stakeholders.

The Board ensures that its shareholders and stakeholders (namely, its clients, consumers, employees, investors, suppliers, communities, financial institutions, local authorities and regulators) are kept informed on an ongoing basis regarding matters affecting the Group.

The Group's website (www.innodisgroup.com), which was completely refreshed in 2020, is used to provide relevant information, and communication is effected through the Annual Report, social media platforms, the internal newsletter (which is mainly intended for employees), circulars issued in compliance with the Listing Rules of the Stock Exchange of Mauritius, press announcements, the publication of Group and Company unaudited quarterly and audited abridged financial statements, dividend declarations. Management otherwise interacts with various stakeholders regularly through face-to-face meetings, by phone or email during the ordinary course of business.

We further have the opportunity to interface with some of our key stakeholders through the Mauritius Chamber of Commerce and Industry, Made in Moris, Business Mauritius and local communities either directly or through local authorities, on a regular or ad-hoc basis.

Finally, Investors meetings may be carried out on an annual basis. Institutional investors and investment managers are invited to attend these meetings, during which the audited results of the Group as well as the overall Group strategy and key projects are presented. Attendees are also invited to partake in a dialogue about the organisational position, performance and the outlook of the Group.

The Annual Meeting of shareholders is held every year in December. All Board members are requested to attend annual meetings. The Annual Meeting is an opportunity for shareholders to meet the Directors and have an open discussion about the Group's activities and results. The notice of the annual meeting and other shareholder meetings and related papers are sent to shareholders at least 21 days before the meeting in accordance with the Companies Act.

The expectations and interests of key stakeholders are continuously being assessed by the Board and responded to through continuous dialogue on various platforms as mentioned above. In the case of our suppliers and clients, these are then recorded in commercial agreements, where a win-win approach is favoured, with a view to building long term relationships.

The following documents can be viewed on the website:

- The Constitution of the Company
- The Quarterly results
- The Annual reports
- The Notices of annual meeting
- The Board Charter
- The Audit and Risk and Corporate Governance Committee Charters
- The Code of ethics
- The IT Policy
- The Audit Policy
- The Governance and organisational structure

SHARE PRICE INFORMATION

For the year under review, Innodis share price stood at Rs 45.00 at 30th June 2021 (June 2020 - Rs 43.00).

	2021	2020
Share price (Rs)	**45.00**	43.00
Earnings per share (Rs)	**0.58**	1.53
Price Earnings Ratio (times)	**78.07**	28.10
Dividend per share (Rs)	**1.15**	1.15
Dividend yield (%)	**2.56**	2.67

Corporate Governance Report (Continued)

Timetable of important events for shareholders:

September	Payment of final dividends of previous Financial Year**
September	Approval of audited consolidated and separate financial statements
November	Publication of first quarter results
December	Declaration of interim dividends*
	Annual meeting of shareholders
February	Publication of second quarter results
February/March	Payment of interim dividends declared in December**
May	Publication of third quarter results
June	Declaration of final dividends*

*Subject to the approval by the Board of Directors
** Subject to a resolution to that effect by the Board of Directors

RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 29.

DIVIDEND POLICY

The Board has not established a formal dividend policy. However, the Board endeavours to authorise distributions in the light of the company's profitability, cash flow requirements and planned capital expenditure.

SHAREHOLDERS' AGREEMENT

There is no shareholders' agreement which affects the governance of the Company by the Board.

ACKNOWLEDGEMENT

The Board would like to thank all employees for their continued dedication and loyalty.

Mr Victor Seeyave
Chairperson

Imrith Ramtohul
Member of Corporate Governance Committee

Uncompromising on QUALITY

Despite challenging times, where most businesses have had to be innovative, contain their costs and adapt to the changing market environment, our commitment to providing the highest quality of goods and services to our clients and consumers has remained steadfast.

MANUFACTURING

Statement of Compliance

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

We, the Directors of Innodis Ltd, confirm, to the best of our knowledge that the Company has complied with the New Corporate Governance Code for Mauritius (2016), has applied all of the principles set out in the Code and has explained how these principles have been applied.

Mr Victor Seeyave
Chairperson of the Board

Mr Jean-Pierre Lim Kong
Director

Date: 29 September 2021

Secretary's Certificate

UNDER SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001

In accordance with Section 166 (d) of the Mauritius Companies Act 2001, we hereby certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Box Office Ltd
Company Secretary

Date: 29 September 2021

Statutory Disclosures

EXTERNAL AUDITORS

Auditors' Remuneration

		2021 Rs'000	2020 Rs'000
Company:			
EY :	Audit Fees	**2,595**	2,571
	Advisory Services	**-**	144
Group:			
EY :	Audit Fees	**4,706**	4,660
	Advisory Services	**-**	144
EY :	Tax Services	**55**	60

Statutory Disclosures (Continued)

SUBSIDIARIES OF INNODIS LTD AND THEIR DIRECTORSHIPS

(I) PENINSULA RICE MILLING LTD
Jean How Hong (Chairman)
Victor Seeyave
Sonny Wong Lun Sang
Jean-Pierre Lim Kong

(II) REDBRIDGE INVESTMENTS LTD
Jean How Hong (Chairman)
Victor Seeyave
Vivekanand Ramtohul
Jean-Pierre Lim Kong

(III) CHALLENGE HYPERMARKETS LTD
Jean How Hong (Chairman)
Victor Seeyave
Maurice de Marassé Enouf
Jean-Pierre Lim Kong

(IV) HWFRL INVESTMENTS LTD
Jean How Hong (Chairman)
Victor Seeyave
Jean-Pierre Lim Kong

(V) MOÇAMBIQUE FARMS, LIMITADA
Jean How Hong (Chairman)
Victor Seeyave
N. Vincent Reynolds Moothoo
Jean-Pierre Lim Kong

(VI) MAURITIUS FARMS LIMITED
Jean How Hong (Chairman)
Vivekanand Ramtohul
Jean-Pierre Lim Kong

(VII) ESSENTIA LTD
Jean How Hong (Chairman)
Vivekanand Ramtohul
Jean-Pierre Lim Kong

(VIII) POULET ARC-EN-CIEL LTÉE
Jean How Hong (Chairman) – resigned on 30.06.2021
Rahim Bholah
Maurice de Marassé Enouf
Jean-Pierre Lim Kong (Chairman)
N. Vincent Reynolds Moothoo – resigned on 30.06.2021
Vivekanand Ramtohul
Victor Seeyave
Yoon Kong (Gerard) Wong Chong
Sonny Wong Lun Sang

(IX) GREEN ISLAND MILLING LIMITED
Jean How Hong (Chairman)
Rahim Bholah
Graeme Lance Robertson
Rachmat Imanuel Suhirman

(X) MEADERS FEEDS LIMITED
Clairette Ah-Hen (Chairperson)
Jean-Pierre Lim Kong
Yannick Lagesse – resigned on 30.06.2021
Robert Joseph Bernard Montocchio
Vivekanand Ramtohul
Emmanuel Wiehe
David Montocchio
Reynolds Moothoo

(XI) SUPERCASH LTD
Jean How Hong (Chairman)
Victor Seeyave
Sonny Wong Lun Sang
Jean-Pierre Lim Kong
Vivekanand Ramtohul

(XII) GOODIZ DISTRIBUTION LTD
Jean How Hong (Chairman)
Sonny Wong Lun Sang
Vivekanand Ramtohul
Jean-Pierre Lim Kong

(XIII) INNODIS POULTRY LTD
Victor Seeyave (Chairman)
Jean How Hong - resigned on 30.06.2021
Vivekanand Ramtohul
N. Vincent Reynolds Moothoo – resigned on 30.06.2021
Jean-Pierre Lim Kong
Richard Luk Tong

Statutory Disclosures (Continued)

SENIOR MANAGEMENT TEAM

The Senior Management team, other than the CEO, Jean-Pierre Lim Kong and Vivekanand Ramtohul (Group Finance Manager), are as follows:

- SONNY WONG LUN SANG

  Chief Operating Officer

  Sonny has more than twenty years of experience in the food sector as Production & Quality Manager, Sales & Marketing Manager and is currently the Chief Operating Officer of Innodis Ltd. He holds an MBA from 'IAE – Institut en Administration des Entreprises' of Poitiers, a Master-DESS in project management from the University of Bordeaux and a Master-DEPA in entrepreneurship from the IFE of Réduit.

- RAHIM BHOLAH

  General Manager - production

  Rahim Bholah joined Innodis Ltd in 1993 as Production Manager at the poultry production plant and has some 30 years of hands-on experience in the manufacturing sector, within textiles, poultry and dairy industries. He is also running the Peninsula Rice Milling Ltd operations, which is a subsidiary of Innodis Ltd. He holds a Bachelor (Hons) degree in Production Engineering and Production Management from the University of Nottingham (UK). He also possesses a Postgraduate Diploma in Management.

- RAJNEETEE BEEHARRY

  Group Human Resources Manager

  Rajneetee has over 18 years of working experience within different areas that span over Human Resources, Hospitality, Quality Assurance, Training and Food & Beverage within the Financial and Hospitality sectors. She holds a BSc in Human Resources from the University of Mauritius and an MBA Degree from the Management College of South Africa. She joined the Company in April 2016 and is currently leading the Human Resources department.

- OLIVIER FANCHETTE

  General Manager – Innodis Poultry Ltd and Export Innodis Poultry Ltd

  Olivier is the holder of a BSc (Hons.) Agribusiness and Finance and a BSc (Hons.) Animal Production from the University of KwaZulu-Natal Pietermaritzburg South Africa. He started his career in Mauritius in 2006 before joining Innodis Group in 2007 as Technical Manager. He moved to Madagascar in 2011 where, as General Manager, he successfully set up, launched and operated the Agribusiness companies Agrifarm, Agrival and Mabel. Back in Mauritius after more than 5 years, he joined Innodis Poultry Ltd as Production Manager in 2016, and was successively promoted as Senior Manager in 2018, and General Manager of Innodis Poultry Ltd as from 1st July 2021.

- ZAHEERUD DEEN KAUDEER

  Senior Manager

  Zaheer joined Innodis Ltd in 2001 and has been working successively as Brand Manager, Key Account Manager and Sales and Marketing Manager in the commercial division. He is presently the Manager of Supercash Limited. During the financial year 20/21, he has also been tasked with overseeing the poultry sales of both Innodis Poultry Ltd and Poulet Arc-en-ciel Ltée. He holds a BSc (Hons.) in Management with specialisation in Marketing from the University of Mauritius. He also holds a Masters in Business Administration.

- GERARD NIEN FONG

  Senior Manager

  Gerard holds a BSc in Economics and Diploma in Marketing from Bordeaux University, France and started his career in the Real Estate sector with the Jade Group. In 2002, he joined Innodis Ltd as Manager at Supercash. Gerard was subsequently employed by Cim Finance Ltd in 2007 where he occupied the post of Manager of the Customer Accounts Department for 8 years. In 2015, he returned to Innodis as Purchasing and Sales Manager.

- AMRITH NUNKOO

  Logistics Manager

  He holds an MA Engineering from the University of Cambridge, UK. He is presently in charge of the Group's dry warehouse and cold room activities. He is also in charge of the management of the fleet of vehicles and refrigeration systems.

- DEVEN RAMASAWMY

  Internal Audit & Risk Manager

  He is a Fellow of the Association of Chartered Certified Accountants, UK. He joined the Group in 2013 as Internal Audit Executive and is now the Group's Internal Audit Manager. Previously he has worked for Shibani Finance and Poivre Corporate Services as Internal Audit Manager.

Statutory Disclosures (Continued)

- CHRISTINA SAM SEE MOI

  Senior Manager – Commercial

  Christina joined the Company in the year 2000 after graduating from university and started her career in the marketing department. She was promoted to Senior Manager in the commercial department in 2015, where she heads the consumer goods division. She holds a BSc (Hons.) Management from the London School of Economics and Political Science.

- DIMPLE SEECHURN

  Marketing Manager

  Dimple joined the Company in 2015 as Marketing Manager. She has some 20 years of experience in marketing in different sectors, namely advertising, FMCG and financial services. Prior to joining Innodis, Dimple was the Marketing Manager of Lottotech, where she contributed to the successful implementation of the Mauritius National Lottery. She holds a BSc (Hons.) in Management with Specialisation in Marketing and a MBA degree from the University of Mauritius.

MANAGEMENT AGREEMENT

There is no management agreement between Innodis Ltd or any of its subsidiaries with third parties, except in the case of our subsidiaries, Poulet Arc-en-Ciel Ltée and Innodis Poultry Ltd, which have a management agreement with Innodis Ltd.

DIRECTORS' INSURANCE

The Directors benefit from an indemnity insurance to cover for liabilities which may be incurred while performing their duties to the extent permitted by law.

Food for EVERY DAY

Over the years, we have developed a wide range of brands, which have become family favourites and delight our consumers day after day.
From wholesome dairy products and pantry staples to delicious meat and seafood products, Innodis caters for a large portion of the food supplies of Mauritian families, with products that are packed with goodness, and accessible to everyone.

FOOD SECURITY

Independent Auditor's Report

To the members of Innodis Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Innodis Limited (the "Company") and its subsidiaries (the "Group") set out on pages 48 to 134 which comprise the consolidated and separate statements of financial position as at 30 June 2021, 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 significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Group and Company as at 30 June 2021, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the 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 and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and other ethical requirements applicable to performing audits of financial statements of the Group and Company and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing the audits of the Group and Company and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent Auditor's Report (Continued)

To the members of Innodis Limited

The Key Audit Matters applies to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of biological assets In line with IAS 41, the Group evaluates biological assets (hatchable eggs, live broilers and breeders) at fair value less cost to sell. As of 30 June 2021, the biological assets amounted to Rs 130m (FY20: Rs. 110m) as disclosed in Note 20 (b). This represented 3% of the Group's total assets. Management used significant judgement about the following unobservable inputs to arrive at the fair value of the respective biological asset: - Hatchability rate - the fair value of hatchable eggs is determined based on the value at which a day-old chick can be sold, less hatchery cost and adjusted for hatchability rate. - Mortality rate and weight - the fair value of live broilers is determined based on the selling price of live broilers, adjusted for mortality and weight. - Number of eggs expected to be laid and future cost to be incurred - the fair value of breeders is based on the expected cash flows to be generated, itself based on the number of eggs expected to be laid by the breeder and adjusted for future cost to be incurred. We focused on this area as a key audit matter because the assessment of the fair value using valuation techniques involves significant judgements.	We obtained an understanding of management's processes and controls for determining the fair valuation of biological assets. This included discussing with management about their valuation governance structure and protocols around their oversight of the valuation process. We assessed and tested the design of some selected key controls over management's process for valuing biological assets. Our substantive procedures in assessing the reasonableness of fair value included the following: - We evaluated the valuation model against the requirements in IAS 41, IFRS 13 and industry practice and checked the mathematical accuracy of the valuation model. - We compared the selling price of live broilers and day-old chicks to the actual sales made to third party. - We evaluated the reasonableness of the key unobservable inputs including hatchability, mortality rates, weight against historical production data and to after year end production data. - We assessed the cash flow projections, by challenging and performing audit procedures on management's assumptions such as evaluating the reasonableness of the expected number of eggs and the future cost by comparing to actual production and cost incurred. - We reviewed the reasonableness of Group's disclosures regarding fair value of biological assets, in accordance with IAS 41 and IFRS 13, including key assumptions and judgements.

Independent Auditor's Report (Continued)

To the members of Innodis Limited

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report, Statement of Directors' responsibilities, Corporate governance report, statutory disclosures and the Secretary's Certificate as required by the Companies Act 2001, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 on the other information obtained prior to the date of this auditor's report, 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.

Corporate Governance Report

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 intends to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

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 scepticism throughout the audit. We also:

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

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

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

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

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

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

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, F.C.A,
Licensed by FRC

Date: 29 September 2021

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	Consolidated 2021 Rs'000	Consolidated 2020 Rs'000	Separate 2021 Rs'000	Separate 2020 Rs'000
Revenue	7	**4,526,186**	4,494,873	**2,609,980**	2,665,634
Profit from operating activities	8	**124,471**	183,403	**56,238**	118,983
Finance income	10	**10,982**	9,458	**2,510**	2,603
Finance costs	10	**(73,507)**	(91,825)	**(46,102)**	(57,560)
Expected credit loss allowances	5	**(20,390)**	(11,603)	**(11,873)**	(5,652)
Profit before income tax		**41,556**	89,433	**773**	58,374
Income tax credit / (expense)	11	**3,078**	(23,684)	**1,702**	(6,899)
Profit for the year		**44,634**	65,749	**2,475**	51,475
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gain/(loss) on retirement benefit obligations	25	**94,819**	(78,127)	**82,727**	(51,249)
Deferred tax on retirement benefit obligations	26	**(16,055)**	13,216	**(14,064)**	8,712
		78,764	(64,911)	**68,663**	(42,537)
Items that are or may be reclassified to profit or loss					
Foreign currency translation arising on foreign operations		**(7,356)**	3,970	**-**	-
Other comprehensive income/(loss) for the year		**71,408**	(60,941)	**68,663**	(42,537)
Total comprehensive income/(loss) for the year		**116,042**	4,808	**71,138**	8,938

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income (Continued)

For the year ended 30 June 2021

	Notes	Consolidated 2021 Rs'000	Consolidated 2020 Rs'000	Separate 2021 Rs'000	Separate 2020 Rs'000
Profit attributable to:					
Owners of the Company		**21,172**	56,059		
Non-controlling interest		**23,462**	9,690		
Profit for the year		**44,634**	65,749		
Total comprehensive income attributable to:					
Owners of the Company		**93,230**	(4,901)		
Non-controlling interest		**22,812**	9,709		
Total comprehensive income for the year		**116,042**	4,808		
Earnings per share					
Basic/diluted earnings per share (Rs)	12	**0.58**	1.53		

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position

As at 30 June 2021

		Consolidated		Separate	
		2021	2020	**2021**	2020
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**1,800,221**	1,808,774	**284,780**	299,384
Right-of-use assets *	13(iii)	**228,807**	282,018	**84,621**	129,250
Intangible assets and goodwill	15	**19,857**	21,044	**-**	-
Bearer biological assets	18(b)	**11,943**	3,369	**-**	-
Investment properties	14	**-**	-	**475,816**	483,806
Investments in subsidiaries	16(a)	**-**	-	**374,336**	374,336
Other investments **	17	**26,214**	26,214	**25,088**	25,088
Deferred tax assets	26	**1,652**	1,901	**-**	-
Retirement benefit obligation	25	**10,135**	-	**10,135**	-
Total non-current assets		**2,098,829**	2,143,320	**1,254,776**	1,311,864
Current assets					
Inventories	18(a)	**1,098,190**	969,006	**593,099**	605,213
Bearer biological assets	18(b)	**52,413**	41,756	**-**	-
Consumable biological assets	18(b)	**66,533**	74,823	**-**	-
Trade and other receivables	19	**856,769**	895,215	**751,975**	737,501
Financial asset at fair value through profit or loss	21	**3,184**	194	**-**	-
Income tax receivable		**6,995**	181	**7,128**	3,508
Cash and cash equivalents	20	**188,576**	72,766	**78,586**	22,801
Total current assets		**2,272,660**	2,053,941	**1,430,788**	1,369,023
Total assets		**4,371,489**	4,197,261	**2,685,564**	2,680,887
EQUITY AND LIABILITIES					
Shareholders' equity					
Share capital	22	**367,303**	367,303	**367,303**	367,303
Share premium	22	**5,308**	5,308	**5,308**	5,308
Revaluation reserve	22	**427,482**	441,862	**307,044**	312,350
Foreign currency translation reserve		**(21,181)**	(14,475)	**-**	-
Retained earnings		**875,563**	803,487	**624,048**	589,844
Total equity attributable to owners of the Company		**1,654,475**	1,603,485	**1,303,703**	1,274,805
Non-controlling interests	16(b)	**266,524**	253,512	**-**	-
Total shareholders' equity		**1,920,999**	1,856,997	**1,303,703**	1,274,805

Consolidated and Separate Statements of Financial Position (Continued)

As at 30 June 2021

		Consolidated		Separate	
		2021	2020	**2021**	2020
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Non-current liabilities					
Borrowings	23	**129,217**	70,508	**77,832**	-
Lease liabilities	24	**149,982**	191,666	**26,243**	63,110
Other payables		**3,715**	4,914	**-**	-
Retirement benefit obligations	25	**65,705**	159,588	**-**	78,143
Deferred tax liabilities	26	**93,179**	82,983	**17,333**	4,971
Total non-current liabilities		**441,798**	509,659	**121,408**	146,224
Current liabilities					
Bank overdrafts	20	**623,401**	623,372	**544,298**	441,487
Borrowings	23	**866,009**	772,951	**416,412**	519,873
Lease liabilities	24	**65,707**	68,495	**41,664**	43,021
Trade and other payables	27	**453,575**	365,787	**258,079**	255,477
Total current liabilities		**2,008,692**	1,830,605	**1,260,453**	1,259,858
Total liabilities		**2,450,490**	2,340,264	**1,381,861**	1,406,082
Total equity and liabilities		**4,371,489**	4,197,261	**2,685,564**	2,680,887

* Included in the right-of-use assets is the premium on leasehold land which was previously disclosed separately under other assets.

** Included in other investments are equity-accounted investments, which was previously disclosed separately

Approved by the Board on 29 september 2021 and signed on its behalf by:

Mr Victor Seeyave
Chairperson of the Board

Mr Jean-Pierre Lim Kong
Director

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity

For the year ended 30 June 2021

Consolidated	Share Capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total Shareholders' Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	367,303	5,308	448,988	(18,426)	847,453	1,650,626	243,803	1,894,429
Total comprehensive income for the year								
Profit for the year	-	-	-	-	56,059	56,059	9,690	65,749
Other comprehensive income								
Foreign currency translation difference – foreign operations	-	-	-	3,951	-	3,951	19	3,970
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	-	13,216	13,216	-	13,216
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	-	(78,127)	(78,127)	-	(78,127)
Revaluation reserve released (Note 22)	-	-	(7,126)	-	7,126	-	-	-
Total other comprehensive income	-	-	(7,126)	3,951	(57,785)	(60,960)	19	(60,941)
Total comprehensive income for the year	-	-	(7,126)	3,951	(1,726)	(4,901)	9,709	4,808
Transaction with owners, recorded directly in equity								
Dividend	-	-	-	-	(42,240)	(42,240)	-	(42,240)
Balance as at 30 June 2020	**367,303**	**5,308**	**441,862**	**(14,475)**	**803,487**	**1,603,485**	**253,512**	**1,856,997**

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity (Continued)

For the year ended 30 June 2021

Consolidated	Share Capital	Share premium	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total Shareholders' Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	367,303	5,308	441,862	(14,475)	803,487	1,603,485	253,512	1,856,997
Total comprehensive income for the year								
Profit for the year	-	-	-	-	21,172	21,172	23,462	44,634
Other comprehensive income								
Foreign currency translation difference – foreign operations	-	-	-	(6,706)	-	(6,706)	(650)	(7,356)
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	-	(16,055)	(16,055)	-	(16,055)
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	-	94,819	94,819	-	94,819
Revaluation reserve released (Note 22)	-	-	(14,380)	-	14,380	-	-	-
Total other comprehensive income	-	-	(14,380)	(6,706)	93,144	72,058	(650)	71,408
Total comprehensive income for the year	-	-	(14,380)	(6,706)	114,316	93,230	22,812	116,042
Transaction with owners, recorded directly in equity								
Dividend	-	-	-	-	(42,240)	(42,240)	(9,800)	(52,040)
Balance as at 30 June 2021	**367,303**	**5,308**	**427,482**	**(21,181)**	**875,563**	**1,654,475**	**266,524**	**1,920,999**

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity (Continued)

For the year ended 30 June 2021

Separate	Share Capital	Share premium	Revaluation reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2019	367,303	5,308	317,656	617,840	1,308,107
Total comprehensive income for the year					
Profit for the year	-	-	-	51,475	51,475
Other comprehensive income					
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	8,712	8,712
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	(51,249)	(51,249)
Revaluation reserve released (Note 22)	-	-	(5,306)	5,306	-
Total other comprehensive income	-	-	(5,306)	(37,231)	(42,537)
Total comprehensive income for the year	-	-	(5,306)	14,244	8,938
Transaction with owners, recorded directly in equity					
Dividend	-	-	-	(42,240)	(42,240)
Balance as at 30 June 2020	367,303	5,308	312,350	589,844	1,274,805

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity (Continued)

For the year ended 30 June 2021

Separate	Share Capital	Share premium	Revaluation reserve	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2020	367,303	5,308	312,350	589,844	1,274,805
Total comprehensive income for the year					
Profit for the year	-	-	-	2,475	2,475
Other comprehensive income					
Deferred tax on retirement benefit obligations (Note 26)	-	-	-	(14,064)	(14,064)
Actuarial loss on retirement benefit obligations (Note 25)	-	-	-	82,727	82,727
Revaluation reserve released (Note 22)	-	-	(5,306)	5,306	-
Total other comprehensive income	-	-	(5,306)	73,969	68,663
Total comprehensive income for the year	-	-	(5,306)	76,444	71,138
Transaction with owners, recorded directly in equity					
Dividend	-	-	-	(42,240)	(42,240)
Balance as at 30 June 2021	367,303	5,308	307,044	624,048	1,303,703

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

For the year ended 30 June 2021

	Note	Consolidated 2021 Rs'000	Consolidated 2020 Rs'000	Separate 2021 Rs'000	Separate 2020 Rs'000
Operating activities					
Profit after income tax expense		**44,634**	65,749	**2,475**	51,475
Adjustments for:					
Depreciation	13	**108,959**	118,396	**39,278**	47,506
Change in fair value of biological assets	18(b)	**(12,112)**	13,978	**-**	-
Depreciation of right-of-use assets	13(iii)	**71,137**	70,750	**42,881**	43,203
Amortisation and impairment of intangible assets	15	**2,334**	973	**-**	-
Depreciation of investment property	14	**-**	-	**7,990**	7,990
Fair value gain on derivative contract*		**(2,994)**	1,398	**-**	-
Profit on disposal of property, plant and equipment	8	**(1,249)**	(1,287)	**(1,348)**	(1,113)
Interest income	10	**(10,982)**	(9,458)	**(2,510)**	(2,603)
Interest expense	10	**73,507**	91,825	**46,102**	57,560
Dividend income	8	**-**	-	**(18,200)**	(46,000)
Income tax expense		**(3,078)**	23,684	**(1,702)**	6,899
Expected credit loss allowances		**20,390**	11,603	**11,873**	5,652
Write off of receivables		**-**	6,117	**-**	6,117
Movement in retirement benefit obligations		**(9,198)**	(6,322)	**(5,551)**	(7,957)
		281,348	387,406	**121,288**	168,729
Movement in working capital					
Changes in inventories		**(121,822)**	(96,167)	**12,114**	(19,276)
Changes in trade and other receivables		**16,774**	(84,072)	**(11,767)**	1,940
Changes in trade and other payables		**20,534**	(776)	**(28,525)**	9,253
		196,834	206,391	**93,110**	160,646
Income tax paid		**(7,824)**	(5,155)	**(3,713)**	(4,351)
Interest received		**10,982**	9,458	**10**	2,603
Interest paid		**(73,507)**	(91,825)	**(46,102)**	(57,560)
Net cash generated from operating activities		**126,485**	118,869	**43,305**	101,338

* Comparative figure previously classified under Unrealised exchange (gain)/loss

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows (Continued)

For the year ended 30 June 2021

	Note	Consolidated 2021 Rs'000	Consolidated 2020 Rs'000	Separate 2021 Rs'000	Separate 2020 Rs'000
Investing activities					
Acquisition of other investment		**-**	(25,088)	**-**	(25,088)
Proceeds from disposal of property, plant and equipment		**2,243**	7,472	**1,348**	2,927
Dividend received		**-**	-	**6,120**	52,525
Receipt of government grants		**-**	4,914	**-**	-
Acquisition of intangible assets		**(126)**	(13,133)	**-**	-
Acquisition of property, plant and equipment	13	**(83,565)**	(182,738)	**(17,061)**	(32,172)
Payment on acquisition of right-of-use assets		**(2,122)**	-	**(167)**	-
Net cash (used in)/from investing activities		**(83,570)**	(208,573)	**(9,760)**	(1,808)
Financing activities					
Payment of principal portion of lease liabilities	24	**(66,583)**	(57,017)	**(43,922)**	(38,208)
Loans received	5(iii)	**1,856,943**	300,755	**702,800**	-
Loans repayment	5(iii)	**(1,705,176)**	(298,881)	**(728,429)**	(114,245)
Dividends paid to equity holders of the parent	5(iii)	**(14,940)**	(75,300)	**(11,020)**	(67,950)
Net cash from/(used in) financing activities		**70,244**	(130,443)	**(80,571)**	(220,403)
Net (decrease) / increase in cash and cash equivalents		**113,159**	(220,147)	**(47,026)**	(120,873)
Effects of exchange rate fluctuations on cash and cash equivalents		**2,622**	3,141	**-**	-
Cash and cash equivalents at beginning of year		**(550,606)**	(333,600)	**(418,686)**	(297,813)
Cash and cash equivalents at end of year		**(434,825)**	(550,606)	**(465,712)**	(418,686)
Cash and cash equivalents consist of:					
Cash and bank balances		**188,576**	72,766	**78,586**	22,801
Bank overdrafts		**(623,401)**	(623,372)	**(544,298)**	(441,487)
		(434,825)	(550,606)	**(465,712)**	(418,686)

The notes on pages 58 to 134 form part of these consolidated and separate financial statements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2021

1A. REPORTING ENTITY

Innodis Ltd (the "Company") is a public company domiciled in Mauritius. The address of the registered office is at Innodis Building, Caudan, Port Louis. The main activities of the Group and the Company are production of poultry and dairy products, poultry farming, animal feed manufacturing, rice milling, distribution and marketing of food and grocery products.

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (together referred as the "Group") and the separate financial statements of the parent company (the "Company").

1B. IMPACT OF COVID -19 OUTBREAK

Mauritius has been subject to a second national lockdown in March 2021, after new local cases were detected. New variants of coronavirus "Covid-19" poses a serious public health threat worldwide and continued to affect our economic activity. Like many countries, Mauritius reacted by bringing back quarantines, prohibitions on travel and the closure of offices, businesses, schools and other public venues. Such measures are creating significant disruptions in supply chains and are adversely impacting on commercial activity both locally and internationally. The consequences constitute a major challenge to doing business and weighs on the ability of many companies to operate normally, particularly those in the transportation, hospitality, tourism and leisure sectors.

The impact of the outbreak of Covid-19 on the Group's operations has been felt mostly by clients of the hospitality and food service sectors which historically have contributed to around 15% of the Group's turnover.

In respect of oversight of the impact of Covid-19 on the internal control environment and operations of the Group, the Board of Directors and management have assessed and minimised the risks to the Group by:

- Reviewing the potential impact of Covid-19 on the Group's accounting for expected credit losses (ECL) in accordance with IFRS 9 through close monitoring of its collection from receivables and ensuring that adequate credit insurance is in place before allowing further credit facilities;
- Reviewing its production and manufacturing planning;
- Re-engineering its distribution channels;
- Encouraging employees to work from home by providing them all necessary equipment; and
- Maintaining sufficient inventories.

1C. GOING CONCERN

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has adequate resources to continue in business for the foreseeable future. They are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Group and the Company believe that its liquidity position is adequate to ensure any future commitments and obligations that may arise are settled. As such, the financial statements as presented have been prepared on a going concern basis.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and in compliance with requirements of the Companies Act 2001 and the Financial Reporting Act. They are authorised for issue by the Company's Board of Directors on the 29th September 2021.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost basis except for the following material items in the consolidated and separate statements of financial position:

- Consumable biological assets (breeders, broilers and hatchable eggs) are measured at fair value less costs to sell;
- The liability for retirement benefit obligations is recognised as the present value of defined obligations less the net total of the plan assets, plus unrecognised actuarial gains, less unrecognised past service cost and unrecognised actuarial losses;
- Land and buildings are measured at revalued amounts; and
- Financial asset at fair value through profit or loss measured at fair value.

(c) Functional and presentation currency

These consolidated and separate financial statements are presented in thousands of Mauritian Rupees (Rs'000), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. All group entities have Mauritian Rupees as their functional currency except for the following subsidiaries:

Subsidiaries	*Functional currency*
Moçambique Farms Limitada	Mozambican Metical (MZN)
Meaders (Seychelles) Ltd	Seychellois Rupee (SCR)

(d) Use of estimates and judgements

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(i) Judgements

In the process of applying the accounting policies, management has made the following judgement which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contract with customers

The Group enters into contracts with its contract growers for the supply of broilers. Under these contracts, the Group sells day-old chicks and feeds to those contract growers and repurchase the live broilers at killing age. The Group determined that control has not been transferred to the customer upon sale of those day-old chicks and feeds. Therefore, the Group determined that it is a principal in these contracts.

The Group has concluded that revenue for sale of finished goods is to be recognized at a point in time, i.e. upon sale to their customers.

Wage Assistance Scheme

In light of the COVID -19 pandemic, Wage Assistance Scheme ("WAS") was introduced by the Government of Mauritius in March 2020 and was extended further after the second national lockdown so as to assist local companies during in the payment of salaries to employees. The Group and the Company had recourse to the WAS after the second lockdown and was allocated a total of Rs7.6M (FY2020-Rs44.5M) and Rs3.7M (FY2020-Rs18.7M) respectively.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(i) Judgements (continued)

Wage Assistance Scheme (continued)

The levy payable is the lower of the total amount received under the WAS or 15% of the chargeable income. The chargeable income for the purposes of the levy excludes tax losses brought forward from previous years. The levy for a company having an accounting period ending between 01 January 2021 and 30 April 2021 shall be payable in respect of the year of assessment commencing on 01 July 2021. A company is exempted from the payment of the levy if it is not liable to any income tax in the following years of assessment 2020-2021 and 2021-2022.

The Group and the Company have accounted for the WAS as a government grant as defined under IAS 20 as the grant has been received and all attached conditions will be complied with. The Group and the Company have accounted the total WAS of Rs7.6M and Rs3.7M respectively as other income in the statement of profit or loss. In line with IFRIC 21: Levies, the Group and Company have not recognised a liability for the Covid-19 Levy as the Group and Company did not derive chargeable income.

Determining the lease term of contracts with renewal and termination options

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

The Group and Company has several lease contracts that include extension and termination options. The Group and Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and Company included the renewal period as part of the lease term for leases of land and building due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e. three to five years) and there will be a significant negative effect on operations if a replacement asset is not readily available. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group and Company typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

(ii) Assumptions and estimation uncertainties

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

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

Provision for expected credit losses of trade receivables

The Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risks, but instead recognises a loss allowance based on life time ECLs at each reporting date. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due 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 and Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. Refer to note 5.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

(ii) Assumptions and estimation uncertainties (continued)

Fair value of biological assets

Biological assets are recorded at fair values less costs to sell. Biological assets consist of hatchable eggs, live broiler chicks and breeders. The Group's Committee determines the policies and procedures for fair value measurement of biological assets. The Committee is made up of the general manager of poultry cluster and the managers of the different department concerned such as finance, production. The Committee decides which valuation techniques and inputs to use. At each reporting date, the Committee analyses the movements in the value of assets and verifies the major inputs applied in the latest valuation by agreeing the information used in the computation to relevant documents. The Committee also compares the change in the fair value of each asset with relevant external sources to determine whether the change is reasonable. Fair value of the Group's biological assets was determined by using valuation techniques including discounted cash flow model as described in Note 18(b). The inputs to these models are taken from observable markets where possible, but as there were no observable market prices near the reporting date for biological assets of the same physical conditions a degree of judgement is required in establishing fair values. Assumptions include mortality rates, hatchability rates, yield rate, expected hatchery eggs and expected cost incurred.

Leases - Estimating the incremental borrowing rate

The Group and Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Retirement Benefits obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact on the carrying amount of pension obligations. The Group and Company 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 settle the pension obligations. In determining the appropriate discount rate, the Group considers the 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 the terms of the related pension liability. Other key assumptions for pension obligations are based on current market conditions.

(iii) Useful lives of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets. The estimates of useful lives and residual values carry a degree of uncertainty. Mangement have used historical information relating to the Group and Company and the relevant industries in which the Group's and Company's entities operate in order to best determine the useful lives and residual values of property, plant and equipment.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

2. BASIS OF PREPARATION (CONTINUED)

(e) Changes in accounting standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

	Effective for accounting period beginning on or after
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Amendments to IFRS 7, IFRS 9, and IAS 39 Interest Rate Benchmark Reform	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020

(f) New and revised standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt these new and amended standards and interpretations when they become effective, if applicable.

	Effective for accounting period beginning on or after
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment	1 January 2022
Amendments to IAS 37 Onerous Contracts	1 January 2022
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2022
Amendments to IFRS 9 Financial Instruments	1 January 2022
Amendments to IAS 41 Agriculture	1 January 2022
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023

These amendments are not expected to have a significant impact on the financial statements of the Group and Company.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

(a) Basis of consolidation

(i) Business combination

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

(ii) Subsidiaries

Subsidiaries are all entities controlled by the Group. 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries are in line with Group accounting. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

In the Company's separate financial statements, investments in subsidiaries are measured at cost. The carrying amount is reduced if there is any indication of impairment in value.

A list of the principal subsidiaries is shown in Note 16(a).

The Group 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.

(iii) Non-controlling interests (NCI)

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

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

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary with any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a financial asset depending on level of influence retained.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Interests in equity-accounted investees are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, these consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

In the separate financial statements, the interests in equity-accounted investees are carried at cost less any impairment losses.

(vi) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing these consolidated and separate financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investments to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Mauritian Rupee at exchange rates at the reporting date. The income and expenses of foreign operations are translated into Mauritian Rupee at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

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

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item form part of a net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Financial asset

Initial recognition and measurement

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 commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, trade and other receivables, other investments, and other financial assets.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), 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 business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has 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 has 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 or fair value through OCI, 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 business model for managing financial assets refers 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four 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 fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group includes in this category cash and cash equivalents and trade 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.

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.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial asset (continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss 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 forward contracts.

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.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial asset (continued)

Impairment of financial assets

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. 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 factors specific to the debtors.

The Group considers a financial asset in default when contractual payments are 150 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 after one year when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. Those are classified at amortised cost.

Subsequent measurement

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

Financial liabilities at amortised cost

After initial recognition, financial liabilities 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 profit or loss.

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.

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.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Following initial recognition at cost, freehold land and buildings are revalued on every 5 years. Any revaluation surplus is credited to revaluation reserve as part of other comprehensive income, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same recognised in the asset revaluation reserve. 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.

At the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired, that is, its carrying amount may be higher than its recoverable amount. If there is an indication that an asset may be impaired, then the asset's recoverable amount must be calculated.

(ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and to the Company. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

The depreciation rates for the current and comparative periods are as follows:

	Asset Category	Rate of Depreciation
a.	Freehold Land	Nil
b.	Freehold Buildings	2% - 5% p.a
c.	Plant and Machinery	4% - 33% p.a
d.	Furniture and office Equipment	10 - 33% p.a
e.	IT and Computer Equipment	25 - 33% p.a
f.	Motor Vehicles	6% - 15% p.a
g.	Laboratory Equipment	10% p.a
h.	Freezers	15% p.a
i.	Crates	25% p.a
j.	Work in Progress	Nil

Rice milling equipment is depreciated on the basis of machine usage.

Freehold land and work-in-progress are not depreciated.

Work-in-progress relates to:

- extension of premises and will be transferred to buildings once work is completed.
- acquisition of plant and machinery which will be transferred once available for use.

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes accounted for as a change in estimates.

(iv) Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other income" in profit and loss. At the time of disposal of the assets, any revaluation surpluses are transferred to retained earnings from revaluation reserve.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets and goodwill

Other intangible assets

(i) Recognition and measurement

Other intangible assets that are acquired by the Group and the Company have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses. These represent trademarks, licences and software.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Derecognition

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 profit or loss when the asset is derecognised.

(iv) Amortisation

Intangible assets are amortised over their 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 are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing 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 profit or loss in the expense category consistent with the function of the intangible asset.

A summary of the policies applied to the Group's and the Company's intangible assets is as follows for the current and comparative periods:

	Computer software and distribution rights	Brand and licences
Useful lives	3 years	5 - 20 years
Amortisation method used	Amortised on a straight line basis over its estimated useful life	Amortised on a straight line basis over its estimated useful life
Internally generated or acquired	Acquired	Acquired

Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets and goodwill (continued)

Goodwill

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

(ii) Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. The recoverable amounts are determined based on value-in-use calculations using cash flow projections.

(g) Biological assets

'Biological assets' are living animals that are capable of biological transformation. Biological transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.

The Group recognizes a biological asset or agricultural produce when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the Group, and the fair value or cost of the asset can be measured reliably.

Biological assets are stated at fair value less estimated costs to sell at both initial recognition and as of the reporting date, with any results recognized in profit or loss. Costs to sell include all costs that would be necessary to sell the assets, including costs necessary to get the assets to market.

There are two types of biological assets:

- Bearer biological assets consist of breeding stock of chickens which are kept for laying hatchable eggs, including parent-rearing and laying stock. The fair value of breeders is determined by reference to the cash flows that will be obtained from sales of hatchery eggs, with an allowance for costs to be incurred and risks to be faced during the remaining productive period.
- Consumable biological assets consist of hatchable eggs and live broiler chicks that are raised specifically for meat production. Consumable biological assets are measured at fair value less estimated costs to sell at year end, with gains and losses arising from changes in the fair values recorded in profit or loss for the period in which they arise. The determination of fair value is based on active market values, where appropriate, or management's assessment of the fair value based on available data and benchmark statistics. These have been further elaborated in Note 4(a).

All the expenses incurred in establishing and maintaining the biological assets are recognised in profit or loss. All costs incurred in acquiring biological assets are capitalised.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Other assets

Other asset are premiums paid on registration of leasehold land. Premiums paid on acquisition of leasehold land are amortised over the lease terms.

(i) Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction cost. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The depreciation rate for investment property is 2%.

(j) Leased assets

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

(i) Right-of-use assets

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 which include the amount of leases recognised, 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 as follows:

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leased assets (continued)

(i) Right-of-use assets (continued)

The Company also assesses the right-of-use asset for impairment when such indicators exist.

- Buildings 10 years
- Motor vehicles 5 years

(ii) Lease liabilities

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 has 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.

The Group and the Company as Lessor

Leases in which the group does not transfer substantially the risk and reward incidental to ownership of an assets are classified as operating lease.

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.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials and consumables: purchase cost on an average cost basis and standard costs in relevant companies.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts are initially classified as inventory. When a replacement is made to an existing asset, these are then expensed or reclassified as PPE depending on their value. Only spare parts above MUR 5,000 are capitalised upon repairs.

The amount of any write down inventories to net realisable value is recognised as an expense in the period the write down occurs.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of non-financial asset

The Group assesses, 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 estimates 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.

The Group bases its impairment calculation on detailed 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 the statement of 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 estimates 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.

(m) Employee benefits obligations

Retirement benefits obligations

The Group and the Company operate various pension schemes. The schemes are generally funded through payments to trustees-administered funds, determined by annual actuarial calculations. The Group and the Company have both defined contribution plan and defined benefit plan.

Defined Contribution plans

The Group and the Company maintains a defined contribution plan for its employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits obligations (continued)

Defined benefit plan

The Group has both funded and unfunded obligations. For the funded obligations, the Group participates in the Innodis Ltd (Executives) Pension Fund and Innodis Ltd (Employees) Pension Fund, registered under the Private Pension Fund Act, the assets of which are held independently. The pension plans are funded from payments from the employees and the Group, taking into account the recommendations of an independent actuary, namely Swan Life Ltd.

The unfunded liability relates to employees who are entitled to retirement gratuities payable under the Workers' Right Act 2019. The Group and the Company is required under the Workers' Rights Act 2019 (the "WRA") to make a statutory gratuity payment to employees retiring after continuous employment with the Group and the Company for a period of 12 months or more. The employee needs to have reached retirement age as prescribed by the WRA to be eligible for the gratuity payment.

The Group and the Company calculates its net obligations in respect of defined benefit pension plans arising from the WRA for employees by estimating the amount of future benefit that its employees have earned in return for their service in the current and prior periods, that benefit /is discounted to determine the present value. The discount rate is the yield at the end of the reporting period. The net present value of gratuity on retirement payable under the WRA is calculated by qualified actuaries (MUA Life Ltd) using the projected unit credit method on a yearly basis.

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

In accordance with the Workers' Rights Act, the amounts deductible are:

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

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other benefits

Employee entitlement to annual leave and other benefits are recognised as and when they accrue to the employees.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of good is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer.

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. Some contracts for the sale of goods provide customers with volume rebates. The rights to volume rebates give rise to variable consideration.

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. A debit note is received from the customers.

To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Commercial income

The Company received income from suppliers as marketing incentives and these are recognised in other income. Under IFRS 15, these incomes should be recognised as a deduction in cost of sales as there are no distinct services being provided by the Company.

Contract assets

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

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 Notes 3(c) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

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

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue (continued)

Management fee income

Revenue from rendering of services consists of management fees which is recognised in accordance with the substance of the relevant agreement.

Investment property rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(o) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established, which in case of quoted securities is the ex-dividend date.

(p) Finance income and finance costs

Finance income comprises interest income and foreign exchange gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expenses on loans and borrowings, overdrafts and finance leases. Borrowing costs not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(q) Income tax expense

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends, Government grants and subsidies.

Current tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and if it relates to the same taxation authority.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax expense (continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset only if the following criteria are met:

(a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Corporate Social Responsibility (CSR)

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

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

(r) Current versus non-current classification

The Group and the Company presents assets and liabilities in the 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 the 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.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Current versus non-current classification (continued)

A liability is current when

- It is expected to be settled in the 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 Company classifies all other liabilities as non-current.

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

(s) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

4. DETERMINATION OF FAIR VALUES

A number of the Group's and Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value is the 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.

(a) Fair value hierarchy

The Group and the Company classify financial instruments measured at fair values using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

- Level 1: Quoted (unadjusted) prices in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Measurement of fair values and valuation techniques used for property, plant and equipment and biological assets have been detailed in Note 13 and 18(b) respectively.

(b) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remained unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results. Sensitivity analysis does not take into consideration that the Group's and Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's and the Company's view of possible near-term market changes that cannot be predicted with any certainty.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and cash equivalents that are derived directly from its operations.

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group Audit and Risk Committee oversees how management monitors compliance with the Group's and the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and the Company. The Group Audit and Risk Committee is assisted in its role by the Internal Audit. Internal Audit Manager who undertakes both regular and adhoc reviews of risk management controls and procedures and the results of which are reported to the Audit and Risk Committee.

This note presents information about the Group's and the Company's exposure to each of the above risks, the Group's and the Company's objectives, policies and processes for measuring and managing risk, and the Group's and the Company's management of capital. Quantitative disclosures have also been included.

(i) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract as and when they fall due thus leading to a financial loss. Credit risk is managed on a Group basis and arises principally from the Group's and the Company's operating activities (primarily trade receivables).

Loans and advances to subsidiaries

The Company manages its credit risk with regards to loans to subsidiaries by actively monitoring the operations and financial performance of its subsidiaries.

The maximum exposure to credit risk is represented by the carrying amount of the loans to subsidiaries in the separate financial statements.

Trade and other receivables

Trade receivables comprise a large, widespread customer base. These risks are controlled by the application of credit limits, credit controlling procedures and credit insurance.

The Group and the Company do not require collateral in respect of trade and other receivables.

The Group and the Company establish an allowance for impairment that represents their estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a known loss component based on historical data for similar financial assets.

The Group and the Company have no significant concentrations of credit risk. The Group's and the Company's policies ensure that the vetting criteria including internal ratings take into consideration economic realities. These ratings do not preclude the monitoring of outstanding debts continuously and relevant diminution in value recognised as and when they become apparent. The maximum exposure to credit risk is represented by the carrying amount of the trade and other receivables in the consolidated and separate statements of financial position.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

At 30 June 2021, the credit risk exposure on the Group's trade receivables was as follows:

Consolidated	**Total**	**< 30 days**	**31 – 60 days**	**61 – 90 days**	**>90 days**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2021					
Expected credit loss rate		0.1%-16.3%	0.1%-22.8%	0.4%-35%	1%-100%
Estimated total gross carrying amount at default	807,568	423,010	201,244	45,655	137,659
Expected credit loss	(84,779)	(6,865)	(1,875)	(653)	(75,386)
	722,789	416,145	199,369	45,002	62,273
2020					
Expected credit loss rate		0.3%-10.8%	0.3%-22.8%	1%-35%	3%-100%
Estimated total gross carrying amount at default	791,861	428,047	228,795	27,152	107,865
Expected credit loss	(63,433)	(1,407)	(853)	(872)	(60,301)
	728,428	426,640	227,942	26,280	47,564

Separate	**Total**	**< 30 days**	**31 – 60 days**	**61 – 90 days**	**>90 days**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
2021					
Expected credit loss rate		0.1%-5.1%	0.1%-5.6%	0.4%-10.8%	1%-100%
Estimated total gross carrying amount at default	559,698	290,379	167,390	39,723	62,206
Expected credit loss	(17,525)	(141)	(201)	(85)	(17,098)
	542,173	290,238	167,189	39,638	45,108
2020					
Expected credit loss rate		0.2%-1.8%	0.3%-2.3%	1.0%-7.9%	3%-100%
Estimated total gross carrying amount at default	514,768	258,971	176,496	22,699	56,601
Expected credit loss	(5,652)	(399)	(92)	(119)	(5,042)
	509,116	258,573	176,404	22,580	51,559

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Balance at 1 July	63,433	64,558	5,652	12,728
Charge for the year	20,390	11,603	11,873	5,652
Effect of exchange rate	956	-	-	-
Utilised	-	(12,728)	-	(12,728)
Balance at 30 June	84,779	63,433	17,525	5,652

Cash and cash equivalents

Cash and cash equivalents are held in a number of reputable financial institutions. Accordingly, the Group and the Company have no significant concentration of credit risk with respect to cash and cash equivalents.

(ii) Liquidity risk

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 they always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's and the Company's reputation.

The Group's and the Company's liquidity risk consist mainly of amounts borrowed from time to time. The details of borrowings are disclosed in Note 23. The Group and the Company have credit facilities from its bankers and these facilities are reviewed on an annual basis.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Contractual cash flows				
Consolidated	Carrying value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021					
Bank overdrafts	623,401	623,401	-	-	623,401
Borrowings	995,226	878,019	49,385	87,669	1,015,073
Lease liabilities	215,689	100,732	50,897	123,815	275,444
Trade and other payables	453,575	453,575	-	-	453,575
	2,287,891	2,055,727	100,282	211,484	2,367,493

	Contractual cash flows				
Consolidated	Carrying value	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2020					
Bank overdrafts	623,372	623,372	-	-	623,372
Borrowings	843,459	772,951	-	70,508	843,459
Lease liabilities	260,161	104,818	44,704	118,900	268,422
Trade and other payables	366,614	366,614	-	-	366,614
	2,093,606	1,867,755	44,704	189,408	2,101,867

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Liquidity risk (Continued)

Separate	Carrying value	Contractual cash flows: Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2021					
Bank overdrafts	544,298	544,311	-	-	544,311
Borrowings	494,244	424,003	27,726	55,173	506,902
Lease Liabilities	67,907	43,714	18,357	9,566	71,637
Trade and other payables	258,079	258,079	-	-	258,079
	1,364,528	1,270,107	46,083	64,739	1,380,929

Separate	Carrying value	Contractual cash flows: Less than one year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 30 June 2020					
Bank overdrafts					
Borrowings	441,487	441,487	-	-	441,487
Lease Liabilities	519,873	519,873	-	-	519,873
Trade and other payables	106,131	81,470	22,573	4,864	108,907
Trade and other payables	255,477	255,477	-	-	255,477
	1,322,968	1,298,307	22,573	4,864	1,325,744

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Changes in liabilities arising from financing activities:

Consolidated	01-Jul-20	Cash flows	New leases	Other	30-Jun-21
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank Loans	843,459	151,767	-	-	995,226
Lease liabilities	260,161	(78,287)	22,111	11,704	215,689
Dividends payable	11,020	(14,940)	-	52,040	48,120
Total liabilities from financing activities	1,114,640	58,540	22,111	63,744	1,259,035

Consolidated	01-Jul-19	Cash flows	New leases	Other	30-Jun-20
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank Loans	841,584	1,875	-	-	843,459
Lease liabilities	85,554	(79,238)	12,371	241,474	260,161
Dividends payable	44,080	(75,300)	-	42,240	11,020
Total liabilities from financing activities	971,218	(152,663)	12,371	283,714	1,114,640

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Changes in liabilities arising from financing activities: (continued)

Separate	01-Jul-20	Cash flows	New leases	Other	30-Jun-21
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank Loans	519,873	(25,629)	-	-	494,244
Lease liabilities	106,131	(47,868)	5,698	3,946	67,907
Dividends payable	11,020	(11,020)	-	42,240	42,240
Total liabilities from financing activities	637,024	(84,517)	5,698	46,186	604,391

Separate	01-Jul-19	Cash flows	New leases	Other	30-Jun-20
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Bank Loans	634,118	(114,245)	-	-	519,873
Lease liabilities	51,307	(50,353)	9,310	95,867	106,131
Dividends payable	36,730	(67,950)	-	42,240	11,020
Total liabilities from financing activities	722,155	(232,548)	9,310	138,107	637,024

(iv) Market risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Group and the Company are exposed to currency risks from their imports both for their commercial and production activities. As such, they are subject to risks from changes in currency values that could affect earnings. Given the limited availability of financial instruments locally, short term transaction risks arising from currency fluctuations are not hedged.

Subject to cost and availability of finance, the Group and the Company aim to minimise their foreign exposure by borrowing in local currency.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

The currency profile of the financial assets and liabilities is summarised as follows:

	Consolidated		Separate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
2021				
Australian Dollar	2,100	-	2,100	-
Euro	21,173	23,749	17,814	16,325
Mauritian Rupee	778,666	1,929,488	652,749	1,194,445
South African Rand	45,402	36,035	45,402	30,943
United States Dollar	132,156	69,677	98,845	54,908
Seychelles Rupee	11,585	101	-	-
Mozambican Metical	37,849	13,669	-	-
	1,028,931	2,072,719	816,910	1,296,621

	Consolidated		Separate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs'000	Rs'000	Rs'000	Rs'000
2020				
Australian Dollar	969	3,139	969	3,139
Euro	7,381	23,877	5,919	13,674
Mauritian Rupee	905,947	1,720,982	732,517	1,141,421
Pound Sterling	-	1,471	-	1,471
South African Rand	3,166	23,398	3,166	16,764
United States Dollar	35,313	46,715	17,731	40,370
Seychelles Rupee	5,973	466	-	-
Mozambican Metical	7,231	13,397	-	-
	965,980	1,833,445	760,302	1,216,839

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

The following exchange rates were applied during the year:

	Average rate		Spot rate	
	2021	2020	**2021**	2020
	Rs	Rs	**Rs**	Rs
Euro	**40.91**	41.87	**51.36**	45.70
Australian Dollar	**25.78**	25.78	**32.63**	28.15
South African Rand	**2.48**	2.48	**3.07**	2.39
United States Dollar	**36.05**	37.79	**43.04**	40.61
Mozambican Metical	**0.54**	0.52	**0.65**	0.55
Seychelles Rupee	**2.61**	2.52	**2.64**	2.61
Pound Sterling	**45.68**	47.73	**59.75**	50.05

Foreign currency sensitivity analysis

Foreign exchange risk arises from changes in foreign exchange rates. Fluctuations in the above currencies by 10% would result in a gain or loss recognised in profit or loss and equity as shown below. The analysis does not take the currency positions that are denominated in the functional currencies of relevant operations because they do not create any foreign currency exposure. Also, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not represent the exposure during the year.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

	Consolidated					
	Appreciation/ (depreciation) in foreign exchange rates	**Effect on profit or loss**	**Effect on Equity**	Appreciation/ (depreciation) in foreign exchange rates	Effect on profit or loss	Effect on equity
	%	**Rs'000**	**Rs'000**	%	Rs'000	Rs'000
	2021	**2021**	**2021**	2020	2020	2020
United States Dollar	**10**	**(6,248)**	**(5,310)**	10	(1,140)	(969)
	(10)	**6,248**	**5,310**	(10)	1,140	969
South African Rand	**10**	**(937)**	**(796)**	10	(2,023)	(1,720)
	(10)	**937**	**796**	(10)	2,023	1,720
Euro	**10**	**258**	**242**	10	(1,650)	(1,402)
	(10)	**(258)**	**(242)**	(10)	1,650	1,402
Mozambican Metical	**10**	**(2,470)**	**(2,100)**	(10)	(617)	(524)
	(10)	**2,470**	**2,100**	10	617	524
Australian Dollar	**10**	**(210)**	**(178)**	10	(217)	(184)
	(10)	**210**	**178**	(10)	217	184
Pound Sterling	**10**	**-**	**-**	10	(147)	(125)
	(10)	**-**	**-**	(10)	147	125
Seychelles Rupee	**10**	**(1,148)**	**(976)**	10	551	468
	(10)	**1,148**	**976**	(10)	(551)	(468)

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Foreign currency risk (continued)

Foreign currency sensitivity analysis (continued)

	Separate					
	Appreciation/ (depreciation) in foreign exchange rates	Effect on profit or loss	Effect on Equity	Appreciation/ (depreciation) in foreign exchange rates	Effect on profit or loss	Effect on equity
	%	Rs'000	Rs'000	%	Rs'000	Rs'000
	2021	2021	2021	2020	2020	2020
United States Dollar	10	(4,394)	(3,735)	10	(2,264)	(1,924)
	(10)	4,394	3,735	(10)	2,264	1,924
South African Rand	10	(1,446)	(1,229)	10	(1,360)	(1,156)
	(10)	1,446	1,229	(10)	1,360	1,156
Euro	10	(149)	(127)	10	(775)	(659)
	(10)	149	127	(10)	775	659
Australian Dollar	10	(210)	(178)	10	(217)	(184)
	(10)	210	178	(10)	217	184

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's interest rate risk arises from loans and borrowings. Loans and borrowings issued at variable rates expose the Group and the Company to cash flow interest rate risk. Loans and borrowings issued at fixed rates expose the Group and the Company to fair value interest rate risk.

The Group and the Company have an interest rate policy which aims at minimising the annual interest costs and to reduce volatility. Given the lack of a local bond market and the restricted capital market, the Group and the Company borrow mainly from banks, which are variable indexed to the prime lending rate. Fixed rate loans, especially of long duration, are not competitively priced by banks to allow a dynamic management of the risk. The policy is thus implemented broadly and cost of debt is managed by effective negotiation directly with banks and leasing companies.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Interest rate risk (continued)

The interest rate profile of the financial assets and financial liabilities of the Group and the Company at 30 June 2021 was:

Variable rate instruments

	Consolidated	Separate	Consolidated and separate	Consolidated	Separate	Consolidated and separate
	2021	2021	2021	2020	2020	2020
	Rs'000	Rs'000	Interest Rate	Rs'000	Rs'000	Interest Rate
Borrowings	(995,226)	(494,244)	3.15%-7.65%	(843,459)	(519,873)	5.25%-7.65%
Lease liabilities	(215,689)	(67,907)	4.15%-7.65%	(260,161)	(106,131)	5.25%-7.65%
Bank overdraft	(623,401)	(544,298)	2.95%-17%	(623,372)	(441,487)	6.25%-17%
Cash and cash equivalents	188,576	78,586	0.25% -5%	72,766	22,801	2% -5%

Interest rate sensitivity analysis

	Profit or loss		Equity	
Consolidated	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
	Rs'000	Rs'000	Rs'000	Rs'000
30-Jun-21				
Variable rate instruments:				
Interest on borrowings	(9,952)	9,952	(9,952)	9,952
Interest on bank overdrafts	(6,234)	6,234	(6,234)	6,234
Interest on cash and cash equivalents	1,886	(1,839)	1,886	(1,839)
Cash flow sensitivity (net)	(14,300)	14,347	(14,300)	14,347
30-Jun-20				
Variable rate instruments:				
Interest on borrowings	(8,435)	8,435	(8,435)	8,435
Interest on bank overdrafts	(6,234)	6,234	(6,234)	6,234
Interest on cash and cash equivalents	728	(728)	728	(728)
Cash flow sensitivity (net)	(13,941)	13,941	(13,941)	13,941

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

	Profit or loss		Equity	
Separate	100bp Increase Rs'000	100bp Decrease Rs'000	100bp Increase Rs'000	100bp Decrease Rs'000
30-Jun-21				
Variable rate instruments:				
Interest on borrowings	**(4,942)**	**4,942**	**(4,942)**	**4,942**
Interest on bank overdrafts	**(5,443)**	**5,443**	**(5,443)**	**5,443**
Interest on cash and cash equivalents	**786**	**(786)**	**786**	**(786)**
Cash flow sensitivity (net)	**(9,599)**	**9,599**	**(9,599)**	**9,599**
30-Jun-20				
Variable rate instruments:				
Interest on borrowings	(5,199)	5,199	(5,199)	5,199
Interest on bank overdrafts	(4,415)	4,415	(4,415)	4,415
Interest on cash and cash equivalents	228	(228)	228	(228)
Cash flow sensitivity (net)	(9,386)	9,386	(9,386)	9,386

The sensitivity analysis has been determined based on the exposure to interest rate for the financial liabilities as 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.

Capital risk management

The Group's and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company and Group monitor capital using a ratio of adjusted net debt to adjusted equity and net debt. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligation under finance leases, less cash and cash equivalents.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Market risk (continued)

Capital risk management (continued)

Gearing Ratio

	Consolidated		Separate	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Total borrowings including lease liabilities and bank overdrafts	**1,834,316**	1,726,992	**1,106,449**	1,067,491
Less: Cash and bank balances	**(188,576)**	(72,766)	**(78,586)**	(22,801)
Net Debt	**1,654,740**	1,654,226	**1,027,863**	1,044,690
Total Equity	**1,920,999**	1,856,997	**1,303,703**	1,274,805
Gearing ratio	**46%**	47%	**44%**	45%

6. SEGMENT REPORTING

The Group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately as they are subject to different technology and marketing strategies.

- Production Agro Business: poultry farming, distribution of chicken, manufacture and distribution of animal feeds;
- Distribution and others; food and non-food and grocery products;
- Production others: ice cream, yoghurt and rice & other frozen food items.

The Group's Chief Executive officer reviews the internal management reports of each division at least quarterly.

Inter-segment pricing is determined on normal commercial terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

The following factors have been taken into consideration on determining the operating segment:

- The nature of the business activities of each component. Each operating segment has a distinct economic activity.
- The existence of managers responsible for the components. Each operating segment has a different manager, who is responsible for the financial results produced.
- For each operating segment, the results are presented separately to the Board.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

6. SEGMENT REPORTING (CONTINUED)

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance as management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment information

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2021					
External Revenue	1,788,605	-	2,737,581	-	4,526,186
Internal Revenue	954,527	252,385	142,242	(1,349,154)	-
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Geographical markets					
Mauritius	2,514,428	252,385	2,879,823	(1,349,154)	4,297,482
Mozambique	211,911	-	-	-	211,911
Seychelles	16,793	-	-	-	16,793
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Timing of revenue recognition					
Goods transferred at a point in time	2,743,132	252,385	2,798,085	(1,267,416)	4,526,186
Services transferred over time	-	-	81,738	(81,738)	-
Total revenue from contract with customers	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186

* These relate to consolidation adjustments

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2021					
Segment revenue	2,743,132	252,385	2,879,823	(1,349,154)	4,526,186
Revenue generated from major customers	31,592	-	684,166	-	715,758
Segment profit from operating activities	90,407	15,922	52,329	(34,187)	124,471
Segment assets	2,820,427	380,464	2,486,977	(1,316,379)	4,371,489
Segment liabilities (excluding tax)	1,946,792	170,838	1,275,008	(1,035,327)	2,357,311
Shareholders fund	822,711	209,492	1,203,414	(581,142)	1,654,475
Non-controlling interest	277,166	(10,362)	(280)	-	266,524
Current and deferred taxation	50,295	-	15,681	27,203	93,179
					4,371,489
Other segment items					
- Purchase of property, plant and Equipment	66,002	7,726	9,837	-	83,565
- Depreciation	59,120	20,389	29,450	-	108,959
- Interest income	(10,972)	-	(10)	-	(10,982)
- Interest expenses	29,554	1,571	42,382	-	73,507

*These relate to consolidation adjustments

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2020					
External Revenue	2,023,141	-	2,471,732	-	4,494,873
Internal Revenue	658,287	267,215	507,733	(1,433,235)	-
Total revenue from contract with customers	2,681,428	267,215	2,979,645	(1,433,235)	4,494,873
Geographical markets					
Mauritius	2,483,313	267,215	2,979,465	(1,433,235)	4,296,758
Mozambique	157,262	-	-	-	157,262
Seychelles	40,853	-	-	-	40,853
Total revenue from contract with customers	2,681,428	267,215	2,979,465	(1,433,235)	4,494,873
Timing of revenue recognition					
Goods transferred at a point in time	2,681,428	267,215	2,908,089	(1,361,859)	4,494,873
Services transferred over time	-	-	71,376	(71,376)	-
Total revenue from contract with customers	2,681,428	267,215	2,979,465	(1,433,235)	4,494,873

*These relate to consolidation adjustments

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

6. SEGMENT REPORTING (CONTINUED)

Segment information (continued)

	Production Agro-Business	Production Others	Distribution and others	Adjustments*	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Consolidated					
Year ended 30 June 2020					
Segment revenue	2,681,428	267,215	2,979,465	(1,433,235)	4,494,873
Revenue generated from major customers	129,778	-	650,974	-	780,752
Segment profit from operating activities	91,636	14,842	109,300	(32,376)	183,402
Segment assets	2,383,156	399,726	2,498,388	(1,084,008)	4,197,261
Segment liabilities (excluding tax)	1,572,624	205,146	1,282,313	(802,802)	2,257,281
Shareholders fund	764,402	187,613	1,211,102	(559,632)	1,603,485
Non-controlling interest	252,919	304	289	-	253,512
Current and deferred taxation	45,495	7,171	(5,435)	35,752	82,983
					4,197,261
Other segment items					
- Purchase of property, plant and Equipment	150,144	14,424	18,170	-	182,738
- Depreciation	55,257	21,428	87,863	(46,152)	118,396
- Interest income	(6,855)	-	(2,603)	-	(9,458)
- Interest expenses	38,269	1,592	51,964	-	91,825

*These relate to consolidation adjustments

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

7. REVENUE

Details of revenue generated by Innodis Ltd and its subsidiaries are illustrated in table below:

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue from contract with customers*	**4,526,186**	4,494,873	**2,560,571**	2,594,258
Rental income	**-**	-	**49,409**	71,376
Total revenue	**4,526,186**	4,494,873	**2,609,980**	2,665,634

* Refer to Note 6 for the breakdown of revenue by segment

8. PROFIT FROM OPERATING ACTIVITIES

The following items have been (credited)/charged in arriving at profit from operating activities:

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**-**	-	**(18,200)**	(46,000)
Depreciation on property, plant and equipment:				
- Owned assets	**108,959**	118,396	**39,278**	47,506
- Right-of-use assets	**71,137**	70,750	**42,881**	43,203
Stock written off	**28,174**	11,218	**21,202**	-
Retirement benefit obligation income/expense	**(9,198)**	(6,322)	**(5,551)**	-
Profit on disposal of property, plant and equipment	**(1,249)**	(1,287)	**(1,348)**	(1,113)
Cost of inventories expensed:				
- Raw materials	**1,611,337**	1,333,974	**185,231**	177,890
- Finished goods	**2,179,233**	2,265,189	**1,954,439**	1,946,796
Staff cost (Note 9)	**481,604**	503,375	**206,187**	209,848
Repairs and maintenance	**14,331**	17,797	**12,739**	15,984
Wage Assistance Scheme[1]	**(7,600)**	(44,500)	**(3,726)**	(18,710)

[1] Rs 7.6M (2020: Rs 44.5M) was received under the Wage Assistance Scheme, (see note 2(d)(i))

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

9. STAFF COST

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Wages and salaries	**429,352**	460,457	**167,398**	179,567
Social security and pension costs	**52,252**	42,918	**38,789**	30,281
	481,604	503,375	**206,187**	209,848

Number of persons employed at year end:

	2021	2020	**2021**	2020
	Number	Number	**Number**	Number
Full time	**1,351**	1,309	**522**	561
Part time	**28**	142	**2**	16
	1,379	1,451	**524**	577

10. NET FINANCE COSTS

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest income	**(10,982)**	(9,458)	**(2,510)**	(2,603)
	(10,982)	(9,458)	**(2,510)**	(2,603)
Interest expense:				
- Overdrafts	**38,228**	43,245	**18,792**	20,126
- Loans	**17,383**	12,084	**17,383**	12,084
- Lease liability	**11,704**	22,230	**3,984**	13,796
- Other interest	**4,992**	8,052	**4,891**	5,377
Foreign exchange transaction losses	**1,200**	6,214	**1,052**	6,177
	73,507	91,825	**46,102**	57,560
Net finance costs	**62,525**	82,367	**43,592**	54,957

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

11. INCOME TAX EXPENSE

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Income tax based on adjusted profits at 15% (2020: 15%)	**1,892**	11,999	**-**	3,621
(Over)/Under provision in previous years	**(243)**	18	**-**	-
Deferred taxation (Note 26)	**(5,367)**	10,750	**(1,702)**	3,185
Corporate social responsibility	**640**	917	**-**	93
	(3,078)	23,684	**(1,702)**	6,899

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Reconciliation of effective taxation				
Profit before taxation	**41,556**	89,433	**2,475**	58,374
Income tax at 17% (2020: 17%)	**7,065**	15,204	**421**	9,924
Non-deductible expenses	**2,538**	15,536	**1,962**	6,882
Exempt income	**(13,091)**	(14,895)	**(4,085)**	(12,833)
Unrecognised tax losses	**(44)**	44	**-**	-
Effect of tax rates in foreign jurisdiction	**57**	(487)	**-**	-
Under/over provision in previous years	**(243)**	18	**-**	-
Wages assistance scheme	**-**	8,264	**-**	2,926
CSR	**640**	-	**-**	-
	(3,078)	23,684	**(1,702)**	6,899

12. EARNINGS PER SHARE

Basic/diluted earnings per share

The calculation of earnings per share has been based on the Group's profit attributable to Owners of the Company after taxation of **Rs 21,172,217** (2020 – Rs 56,059,553) on 36,730,266 (2020 - 36,730,266) ordinary shares issue.

Basic and diluted earnings per share were the same for both years since there was no potential dilutive ordinary shares at 30 June 2021.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

13. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Freehold land	Buildings	Improve-ment to buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Work in progress	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Cost/revalued								
Balance at 01 July 2019	215,626	948,130	32,888	1,189,987	643,542	224,294	15,981	3,270,448
Additions	-	19,225	4,269	38,046	20,549	10,196	90,453	182,738
Disposals	-	-	-	(8,512)	(8,832)	(9,198)	(168)	(26,710)
Transfer to intangible asset	-	-	-	-	-	-	(3,075)	(3,075)
Foreign currency difference	-	(867)	-	(616)	(146)	(189)	(40)	(1,858)
Balance at 30 June 2020	**215,626**	**966,488**	**37,157**	**1,218,905**	**655,113**	**225,103**	**103,151**	**3,421,543**
Additions	-	8,601	4,780	35,616	15,544	2,338	16,686	83,565
Disposals	-	-	-	-	(1,145)	(7,368)	-	(8,513)
Transfer to intangible asset	-	-	-	-	-	-	(1,017)	(1,017)
Transfer from Right of use	-	-	-	8,760	-	29,414	-	38,174
Transfer	-	30,834	236	55,279	8,854	1,556	(96,759)	-
Foreign currency difference	-	12,202	-	19,445	799	952	-	33,398
Balance at 30 June 2021	**215,626**	**1,018,125**	**42,173**	**1,338,005**	**679,165**	**251,995**	**22,061**	**3,567,150**
Accumulated depreciation and impairment losses								
Balance at 01 July 2019	-	51,418	3,109	794,893	500,961	165,052	-	1,515,433
Depreciation for the year	-	25,324	1,151	48,738	31,028	12,155	-	118,396
Foreign currency difference	-	(142)	-	(287)	(57)	(49)	-	(535)
Disposals	-	-	-	(3,629)	(8,202)	(8,694)	-	(20,525)
Balance at 30 June 2020	**-**	**76,600**	**4,260**	**839,715**	**523,730**	**168,464**	**-**	**1,612,769**
Depreciation for the year	-	22,125	1,355	49,622	24,630	11,227	-	108,959
Foreign currency difference	-	6,464	-	12,761	697	929	-	20,851
Transfer from Right of use	-	-	-	6,184	-	25,685	-	31,869
Disposals	-	-	-	-	(437)	(7,082)	-	(7,519)
Balance at 30 June 2021	**-**	**105,189**	**5,615**	**908,282**	**548,620**	**199,223**	**-**	**1,766,929**
Carrying amounts:								
Balance as 30 June 2021	**215,626**	**912,936**	**36,558**	**429,723**	**130,545**	**52,772**	**22,061**	**1,800,221**
Balance as 30 June 2020	215,626	889,888	32,897	379,190	131,383	56,639	103,151	1,808,774

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Separate	Freehold land	Buildings	Plant and machinery	Furniture and equipment	Motor vehicles	Work in progress	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost/Revalued							
Balance at 01 July 2019	19,000	132,028	419,262	421,322	149,487	-	1,141,099
Additions	-	131	14,040	8,790	5,427	3,784	32,172
Disposals	-	-	(4,607)	-	(4,837)	-	(9,444)
Balance at 30 June 2020	19,000	132,159	428,695	430,112	150,077	3,784	1,163,827
Additions	-	40	8,286	7,707	669	359	17,061
Disposals	-	-	-	-	(5,478)	-	(5,478)
Transfer	-	-	2,228	-	1,556	(3,784)	-
Transfer from Right of use	-	-	12,331	-	25,692	-	38,023
Balance at 30 June 2021	**19,000**	**132,199**	**451,540**	**437,819**	**172,516**	**359**	**1,213,433**
Accumulated depreciation and impairment losses							
Balance at 01 July 2019	-	3,062	308,974	382,777	129,754	-	824,567
Depreciation for the year	-	3,097	20,266	18,490	5,653	-	47,506
Disposals	-	-	(2,835)	-	(4,795)	-	(7,630)
Balance at 30 June 2020	-	6,159	326,405	401,267	130,612	-	864,443
Depreciation for the year	-	3,099	19,852	11,283	5,044	-	39,278
Disposals	-	-	-	-	(5,478)	-	(5,478)
Transfer from Right of use	-	-	6,362	-	24,048	-	30,410
Balance at 30 June 2021	**-**	**9,258**	**352,619**	**412,550**	**154,226**	**-**	**928,653**
Carrying amounts:							
At 30 June 2021	**19,000**	**122,941**	**98,921**	**25,269**	**18,290**	**359**	**284,780**
At 30 June 2020	19,000	126,000	102,290	28,845	19,465	3,784	299,384

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

i) Security

The movable and immovable assets are subject to a floating charge for Rs 1,795M. Bank borrowings are secured by fixed and floating charges over the assets of the Group.

The Group has a floating charge of USD 2.9 million on its plant and machinery pledge in favour of bank overdraft facilities for Moçambique Farms Limitada.

ii) Valuation

Land and buildings of the Group and the Company have been revalued at open market value on June 2018 by Broll Indian Ocean Ltd, Chartered Valuation Surveyors affiliated to the CBRE network whereas for Meaders Feeds Ltd, CDDS Land Surveyors and Property Valuer has valued the property.

Fair value is determined by reference to market based evidence. This means that valuations performed by the values are based on active market prices, adjusted for any difference in the nature, location or condition of the specific property. The independent valuers used the sales comparison and the depreciated replacement cost approach to determine the valuation. The key inputs under this approach are the price per square meter from current year sales of comparable lots of land in the area (location and size). Any gain or loss arising from a change in fair value is recognised in comprehensive income. The fair value measurement for the land and buildings has been categorised as a level 3 fair value based on the inputs for the valuation technique used.

Sensitivity

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of buildings as per the below:

- Depreciation rate - 2% - 5%

Significant increase/ (decrease) in estimated depreciation value would result in a significantly higher/ (lower) fair value measurement.

	(-5%)	(+5%)
	Rs'000	Rs'000
The Group	40,628	40,228
The Company	2,200	2,100

The carrying amounts of Land and Building that would have been included in the financial statements had the assets been carried at cost are as follows:

	Consolidated	Separate
	Rs'000	Rs'000
At 30 June 2021	870,249	123,803
At 30 June 2020	860,655	144,520

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

iii) Right-of-use assets

Consolidated	Land and Buildings	Motor vehicles and Machinery	Total
	Rs'000	Rs'000	Rs'000
COST			
As at 01 Jul 2019	-	-	-
Effect of adoption of IFRS 16 as at 1 July 2019	238,308	102,089	340,397
	238,308	102,089	340,397
Additions	2,344	10,027	12,371
Depreciation	(48,793)	(21,957)	(70,750)
As at 30 June 2020	191,859	90,159	282,018
Additions	9,555	14,676	24,231
Transfer to PPE	-	(6,305)	(6,305)
Depreciation	(43,995)	(27,142)	(71,137)
At 30 June 2021	157,419	71,388	228,807

Separate	Land and Buildings	Motor vehicles and Machinery	Total
	Rs'000	Rs'000	Rs'000
COST			
As at 01 Jul 2019	-	-	-
Effect of adoption of IFRS 16 as at 1 July 2019	104,777	58,366	163,143
	104,777	58,366	163,143
Additions	-	9,310	9,310
Depreciation	(29,551)	(13,652)	(43,203)
At 30 June 2020	75,226	54,024	129,250
Additions	-	5,865	5,865
Transfer to PPE	-	(7,613)	(7,613)
Depreciation	(28,517)	(14,364)	(42,881)
At 30 June 2021	46,709	37,912	84,621

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

14. INVESTMENT PROPERTIES

	Separate	
	2021	2020
	Rs'000	Rs'000
Cost		
At 1 July	**519,241**	519,241
	519,241	519,241
Accumulated depreciation		
At 1 July	**35,435**	27,445
Charge for the year	**7,990**	7,990
At 30 June	**43,425**	35,435
Carrying amounts		
At 30 June	**475,816**	483,806

During the year there has been no direct operating expenses relating to investment properties.

At the Company level, freehold land buildings that were previously used by the poultry division of Innodis Ltd have been transferred to investment property as they are being leased to Innodis Poultry Ltd, a subsidiary of Innodis Ltd.

In 2018, the Company has appointed an independent valuer to fair value its investments properties. The fair value of Rs 539m as at 30 June 2021 is not materially different from that of 2020. The fair value was determined using the sale comparison approach and was based on prices for properties of similar nature, location and condition. The Company has determined that the highest and best use of the property used is its current use. The level hierarchy has been categorised as level 3.

Significant unobservable valuation input	Range
Price per square metre	Rs 1,858 - 3,399

Significant increase/(decrease) in estimated price per square metre in isolation would result in a significant higher/(lower) fair value on a linear basis. See note 13 for fair value information on the building and note 3(i) for the information related to the historical cost.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

15. INTANGIBLE ASSETS AND GOODWILL

Reconciliation of carrying amount

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Cost				
At 1 July and 30 June	136,860	120,652	105,743	105,743
Transfer	1,021	3,075	-	-
Impairment	(4,000)	-	-	-
Additions	126	13,133	-	-
	134,007	136,860	105,743	105,743
Amortisation				
At 1 July	115,816	114,843	105,743	105,743
Charge for the year	1,017	973	-	-
Impairment	(2,683)	-	-	-
At 30 June	114,150	115,816	105,743	105,743
Carrying amounts				
At 30 June	19,857	21,044	-	-

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

15. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Intangible assets and goodwill are as follows:

	Separate and Consolidated	Consolidated				
	Brands & licences	Software	Distribution rights	Goodwill on acquisition of Peninsula Rice Milling Ltd	Goodwill on Acquisition of Poulet Arc en Ciel Ltée	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Cost						
At 1 July 2020	105,743	16,208	2,474	4,000	8,435	136,860
Transfer*	-	1,021	-	-	-	1,021
Additions	-	126	-	-	-	126
Impairment	-	-	-	(4,000)	-	(4,000)
At 30 June 2021	105,743	17,355	2,474	-	8,435	134,007
Amortisation						
At 1 July 2020	105,743	973	2,210	2,683	4,207	115,816
Charge for the year	-	1,017	-	-	-	1,017
Impairment	-	-	-	(2,683)	-	(2,683)
At 30 June 2021	105,743	1,990	2,210	-	4,207	114,150
Carrying amounts						
At 30 June 2021	-	15,365	264	-	4,228	19,857
At 30 June 2020	-	15,235	264	1,317	4,228	21,044

*During the FY software previously accounted as PPE has been transferred to Intangible assets.

For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the respective company from which the goodwill arises. This is the lowest level at which goodwill is monitored for internal management purposes.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

15. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

The Group performed its annual impairment test in June 2021 and 2020. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment.

During the year goodwill on acquisition of Peninsula Rice Milling Ltd amounting to Rs 1.3m has been impaired due to ceased trading (2020: no impairment recognised).

Goodwill on acquisition of Poulet Arc-en-Ciel Ltee

The recoverable amounts have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a period of ten-year period. The projected cash flows have been updated to reflect the increased demand for the products and services.

Keys assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for, goodwill on acquisition of Poulet Arc-en-Ciel Ltee is most sensitive to the following assumptions:

- Gross margins
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross margins - Gross margins are based on average values achieved in the three years preceding the beginning of the budget period. Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin by 1.0% would result in a further impairment in the goodwill.

Discount rates – Discount rates represent the current market assessment of the risks specific to each category taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from the weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Growth rate estimates - Rates are based on published industry research. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

16. (a) INVESTMENTS IN SUBSIDIARIES

	2021 Rs'000	2020 Rs'000
Separate		
Cost		
At 1 July	**839,588**	839,588
At 30 June	**839,588**	839,588
Impairment		
At 1 July	**465,252**	465,252
At 30 June	**465,252**	465,252
Carrying amounts		
At 30 June	**374,336**	374,336

Included in investments in subsidiaries are loans for which the repayment is neither planned nor likely to occur in the foreseeable future.

The Group performed its annual impairment test in June 2021 and 2020. The recoverable amounts have been determined based on value in use calculation using cash flow projections from financial budgets approved by senior management. The projected cash flows have been updated to reflect the increased demand for the products and services.

The key assumptions used in the estimation of the recoverable amount of the investments are set out below:

- The discount rate was estimated based on the historical industry average weighted average cost of capital;
- The cash flow projections over 10 years since it is a capital extensive industry included specific estimates and a terminal growth rate of 5.5% thereafter; and
- The revenue growth rate was based on the expected units to be sold.

Sensitivity to changes in significant unobservable inputs

- 5% increase/(decrease) in the weighted average cost of capital would result in an increase/(decrease) in the recoverable amount by Rs 30.3 million.
- 5% increase/(decrease) in the forecast annual revenue growth rate would result in increase/(decrease) in recoverable amount by Rs 61 million.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

16. (a) INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the Company's subsidiaries are:

Name of subsidiaries	Country of incorporation	Class of shares held	Holding		Cost of investment (Net of impairment)		Principal activity
			2021	2020	**2021**	2020	
			%	%	**Rs'000**	Rs'000	
Société Enatou	Mauritius	Ordinary	**100**	100	**-**	-	Investment holding
Supercash Ltd	Mauritius	Ordinary	**100**	100	**20,000**	20,000	Wholesale
Peninsula Rice Milling Ltd	Mauritius	Ordinary	**100**	100	**250**	250	Rice milling
Peninsula Rice Milling Ltd	Mauritius	Loan	**100**	100	**43,500**	43,500	Rice milling
Challenge Hypermarkets Ltd	Mauritius	Ordinary	**50.1**	50.1	**5**	5	Property development
Moçambique Farms Limitada	Mozambique	Loan	**100**	100	**94,959**	94,959	Poultry farming and sales of chicken
HWFRL Investments Ltd	Mauritius	Investment	**100**	100	**-**	-	Investment holding
HWFRL Investments Ltd	Mauritius	Loan	**100**	100	**-**	-	Investment holding
Mauritius Farms Limited	Mauritius	Ordinary	**100**	100	**25,992**	25,992	Investment holding
Essentia Ltd	Mauritius	Ordinary	**100**	100	**1**	1	Investment holding
Meaders Feeds Ltd	Mauritius	Ordinary	**51**	51	**39,628**	39,628	Feed Mill operations
Goodiz Distribution Ltd	Mauritius	Ordinary	**100**	100	**1**	1	Retail
Innodis Poultry Ltd	Mauritius	Ordinary	**100**	100	**150,000**	150,000	Poultry farming and sales of chicken
					374,336	374,336	

The Company, indirectly, holds investments in the following subsidiaries:

Name of subsidiaries	Country of incorporation	Effective holding		Principal activity
		2021	2020	
		%	%	
Société Narien	Mauritius	**100**	100	Dormant entity
Redbridge Investments Ltd	Mauritius	**100**	100	Property development
Société Centre Point	Mauritius	**50.1**	50.1	Dormant entity
Moçambique Farms Limitada	Mozambique	**100**	100	Broiler growing and processing
Poulet Arc-en-Ciel Ltée	Mauritius	**100**	100	Poultry farming and sales of chicken
Green Island Milling Limited	Mauritius	**60**	60	Rice Milling
Meaders Seychelles Ltd	Seychelles	**41**	41	Distributor of feeds and day old chicks

*Meaders Seychelles is 80% owned by Meaders Feeds Ltd.

All the subsidiaries have the same year end as the parent.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

16. (b) NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has a material NCI, before any intra-group eliminations.

	Meaders Feeds Ltd	Green Island Milling Limited	Challenge Hypermarkets Ltd	Meaders Seychelles
NCI percentage	**49%**	**40%**	**49.90%**	**20%**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
As at 30 June 2021				
Non-current assets	**570,175**	**27,688**	**-**	**7,287**
Current assets	**642,641**	**-**	**670**	**15,340**
Non-current liabilities	**(119,158)**	**-**	**-**	**-**
Current liabilities	**(572,728)**	**(1,785)**	**(109)**	**(19,490)**
Net assets	**520,930**	**25,903**	**561**	**3,137**
Carrying amount of NCI	**255,256**	**10,361**	**280**	**627**
Revenue	**1,378,447**	**-**	**-**	**16,793**
Profit/(loss)	**47,406**	**(466)**	**782**	**143**
OCI	**(1,259)**	**-**	**-**	**489**
Total comprehensive income	**46,147**	**(466)**	**782**	**633**
Profit/(loss) allocated to NCI	**23,229**	**(186)**	**390**	**29**
OCI allocated to NCI	**(617)**	**-**	**-**	**(33)**
Total comprehensive income allocated to NCI	**22,612**	**(186)**	**390**	**(4)**
Cash flows generated from/(used in) operating activities	**(54,992)**	**-**	**-**	**3,775**
Cash flows used in investment activities	**(25,111)**	**-**	**-**	**10**
Cash flows (used in)/generated from financing activities	**169,983**	**-**	**-**	**-**
Net movement in cash and cash equivalents	**89,880**	**-**	**-**	**3,784**
Dividends paid to non-controlling interests during the year	**9,800**	**-**	**-**	**-**

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

16. (b) NON-CONTROLLING INTERESTS (CONTINUED)

	Meaders Feeds Ltd	Green Island Milling Limited	Challenge Hypermarkets Ltd	Meaders Seychelles
NCI percentage	49%	40%	49.90%	20%
	Rs'000	Rs'000	Rs'000	Rs'000
As at 30 June 2020				
Non-current assets	568,628	28,152	-	6,293
Current assets	448,760	-	672	14,031
Non-current liabilities	(136,012)	-	-	-
Current liabilities	(392,074)	(1,783)	(892)	(17,823)
Net assets	489,302	26,369	(220)	2,501
Carrying amount of NCI	242,573	10,548	(109)	500
Revenue	1,306,944	-	-	40,853
Profit/(loss)	21,175	(761)	(580)	(851)
OCI	3,899	-	-	-
Total comprehensive income	25,074	(761)	(580)	(851)
Profit/(loss) allocated to NCI	10,453	(304)	(289)	(170)
OCI allocated to NCI	19	-	-	-
Total comprehensive income allocated to NCI	10,472	(304)	(289)	(170)
Cash flows generated from/(used in) operating activities	(65,965)	-	-	7,457
Cash flows used in investment activities	(118,078)	-	-	1,980
Cash flows (used in)/generated from financing activities	98,656	-	-	(8,760)
Net movement in cash and cash equivalents	(85,387)	-	-	(677)
Dividends paid to non-controlling interests during the year	-	-	-	-

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

17. OTHER INVESTMENTS

	2021 Rs'000	2020 Rs'000
Consolidated		
At 1 July	**26,214**	26,214
Additions	**-**	-
At 30 June	**26,214**	26,214
Separate		
As at 30 June and 01 July	**25,088**	25,088

Other investments are made up of equity shares of non-listed companies designated at fair value through OCI and investments held in associates.

Non-listed equity shares of Rs 25m relate to non-controlling interest in Victoria Station Ltd and Group considers that this investment is strategic in nature. Fair value of this investment has been categorised as level 3. The investment was acquired during the financial year 2019/20 and at year-end, management has re-assessed fair value as its acquisition value given that Victoria Station Ltd is still under construction. As such, no unobservable input has been developed. At 30 June 2021, the fair value approximates its carrying amount.

Details of the Company's investments held in associates are as follows:

Name of company	Country of incorporation	Activities	Class of shares held	% Holding	
				2021	2020
Promotion et Diversification Publicitaire Limitée	Mauritius	Advertising	Ordinary	**50**	50
Salière de l'Ouest Limitée	Mauritius	Manufacturing	Ordinary	**48**	48
Ariva Ltée	Mauritius	Shipping Agent	Ordinary	**8.41**	8.41

By virtue of the Company's representation on the Board of Ariva Ltée, the Company deems to have significant influence as investee, and hence continues to treat this investment as associate.

The Group has not equity-accounted those investments and did not disclose the summarised financial information as these are considered as not material.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

18. (a) INVENTORIES

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Raw materials	**494,040**	302,000	**88,112**	52,548
Finished goods	**512,684**	600,323	**467,652**	543,086
Work in Progress	**34,347**	5,544	**34,347**	5,544
Goods in transit	**21,030**	20,907	**-**	-
Consumables	**2,257**	6,073	**457**	543
Spare parts	**33,832**	34,159	**2,531**	3,492
	1,098,190	969,006	**593,099**	605,213
Cost of inventories expensed	**3,790,570**	3,599,363	**2,139,670**	2,124,686

All inventories are recorded at lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and selling expenses.

During the year, the Group inventories have been reduced by Rs 1.1M (2020 – Rs 7.3M) as a result of write down to net realisable value. The write down is included in 'cost of sales'.

18. (b) BIOLOGICAL ASSETS

The reconciliation of biological asset movement:

	Consolidated	
	2021	2020
	Rs'000	Rs'000
Bearer biological assets		
Non-current	**11,943**	3,369
Current	**52,413**	41,756
At 30 June	**64,356**	45,125
Consumable biological assets		
Current	**66,533**	74,823
At 30 June	**66,533**	74,823
At 30 June	**130,889**	119,948

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

18. (b) BIOLOGICAL ASSETS (CONTINUED)

The reconciliation of biological asset movement:

	Consolidated	
	2021	2020
	Rs'000	Rs'000
At 1 July	**119,947**	130,821
Purchases	**70,120**	169,113
Decrease due to depletion	**(910,251)**	(898,422)
Cost of growing	**838,961**	732,413
Change in fair value less estimated costs to sell	**12,112**	(13,978)
At 30 June	**130,889**	119,947

The total quantity of bearer biological assets on hand at year end was 92,321 units (2020: 74,759 units) while the total quantity for the consumable biological assets was 733,803 units (2020: 697,410 units) for eggs and 637,066 units (2020: 847,734 units) for live broilers.

During the year, 7,477,246 kg (2020: 12,574,290 kg) of live birds were sent to the processing plant.

The fair valuation of biological assets held by contract growers amounting to Rs 7.8m (2020: Rs 29m)

(i) Measurement of fair values

Fair value hierarchy

The fair value measurements for biological assets amounting to Rs 130.9m (2020: Rs 119.9m) have been categorized as Level 3 fair value based on inputs to the valuation techniques used. There have been no transfers of assets to a different level.

(ii) Valuation techniques and significant unobservable inputs for consumable biological assets

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used:

Type	Valuation techniques	Significant unobservable inputs
Livestock		
Livestock comprise of:		
(i) Live breeders	Live breeders are fair valued based on the cash flow generated from sales of hatchery eggs, adjusted for cost to be incurred.	Expected number of hatchery eggs by one breeder Projected cost of growing breeder
(ii) Live broilers and eggs	Live broilers and eggs are fair valued based on the market price less cost of sale of chickens of similar ages and weights, adjusted for mortality and hatchability.	Mortality rate Hatchability rate Live weight

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

18. (b) BIOLOGICAL ASSETS (CONTINUED)

(iii) Sensitivity analysis

Type	Valuation techniques	Significant unobservable inputs	Sensitivity of the input to value
Live breeders	Discounted cash flow	Number of hatchery eggs by one breeder 125 – 140 eggs	5% increase/(decrease) in number of hatchery eggs by breeder would result in increase/(decrease) in fair value of Rs 7,733,528 (2020: Rs 5,211,718)
		Projected cost of growing breeders	5% increase/(decrease) in projected cost of growing breeders would result in (decrease)/increase in fair value of Rs 4,515,746 (2020: Rs 3,080,596)
Hatchable eggs	Discounted cash flow	Hatchability rate 2021: 75% - 80% 2020: 75% - 80%	5% increase/(decrease) in hatchability rate would result in increase/(decrease) in fair value of Rs 724,232 (2020: Rs 648,283)
Live broilers	Discounted cash flow	Mortality rate 2021: 5.74% - 10.0% 2020: 5.75% - 10.0%	5% increase/(decrease) in mortality rate would result in increase/(decrease) in fair value by Rs 49,103 (2020: Rs 70,881)
		Live weight 2021: 1.9kg – 2.5kg 2020: 2.1kg – 2.5kg	5% increase/(decrease) in live weight would result in increase/(decrease) in fair value by Rs 1,783,413 (2020: Rs 1,094,175)

19. TRADE AND OTHER RECEIVABLES

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivables from third-parties customers	**807,568**	791,861	**559,698**	514,768
Receivables from associate	**-**	1,835	**-**	1,835
Receivables from other related parties	**876**	1,890	**876**	603
Receivables from subsidiaries	**-**	-	**139,664**	135,971
	808,444	795,586	**700,238**	653,177
Allowance for expected credit losses	**(84,779)**	(63,433)	**(17,525)**	(5,652)
Other receivables and prepayments	**133,104**	163,062	**69,262**	89,976
	856,769	895,215	**751,975**	737,501

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30 June 2021, the carrying amount of the trade and other receivables approximate their fair value. The Group had prepayments amounted to Rs 19.6m (2020: Rs 40.4m) and the Company had prepayments amounted to Rs 13.65m (2020: Rs 27.6m). Other receivables include receivables from insurance claim, deposit, VAT refund and loans to employees.

Transactions between related parties are carried out in the normal course of business and any amount receivables are repaid as per the Group's and the Company's credit terms. An ageing analysis of the Group's and the Company's trade receivables is provided in Note 5 (i).

20. CASH AND CASH EQUIVALENTS

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand and at bank	**188,576**	72,766	**78,586**	22,801
Bank overdrafts	**(623,401)**	(623,372)	**(544,298)**	(441,487)
	(434,825)	(550,606)	**(465,712)**	(418,686)

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2021	2020
	Rs'000	Rs'000
Financial assets at fair value through profit or loss		
Foreign exchange forward contracts	**3,184**	194
Disclosed as follows:		
Current assets	**3,184**	194
Total Financial assets at fair value through profit or loss	**3,184**	194

The total notional amounts of the outstanding forward foreign exchange contracts not designated as hedges at 30 June 2021 were USD 1,625,000 (Rs 69,9m) and as at 30 June 2020 USD 800,000 (Rs 32,2m). The instruments have been categorised as level 2. The fair value of foreign exchange forward are determined by using the foreign exchange spot and forward rates and forward rate curves of each currency.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

22. SHAREHOLDERS' EQUITY

Share capital	2021 Number	2020 Number	2021 Rs'000	2020 Rs'000
Authorised				
Ordinary shares of Rs 10 each	**50,000,000**	50,000,000	**500,000**	500,000
Issued and fully paid				
Ordinary shares of Rs 10 each	**36,730,266**	36,730,266	**367,303**	367,303

Share premium

A share premium arises when the value of the consideration received for the issue of shares exceeds the nominal value of the shares issued. The share premium account is regarded as permanent capital of the Company and only certain expenses of a capital nature may be set-off against it, namely:

(i) the expenses of, or the commission paid on, the creation or issue of any shares.

The share premium account may also be applied:

(i) in paying up shares of the Company to be issued to shareholders of the Company as fully paid shares;

(ii) to reflect the decrease in the share premium account arising from shares acquired or redeemed.

Revaluation reserve

The revaluation reserve arises from the revaluation of the Group's and the Company's land and buildings.

This reserve is reduced by the transfers to retained earnings:

(i) on an annual basis of an amount equivalent to the depreciation on the revaluation surplus, net of the deferred tax impact; and

(ii) on disposal of the revalued property of the remaining revaluation surplus on the property disposed of, net of the deferred tax impact.

(iii) The revaluation reserve is used to record increases in the fair value of land and buildings. Subsequently when the land and building is being depreciated, proportionately a release of the fair value reserve is released to equity.

Foreign currency translation reserve

(i) The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of subsidiaries on consolidation. The foreign currency translation reserve consists of the Group's share of the exchange difference arising on the consolidation of the subsidiaries whose financial statements are presented in Mozambican Metical and Seychellois Rupee.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

22. SHAREHOLDERS' EQUITY (CONTINUED)

The revaluation reserve may be applied in paying up shares of the Company and its subsidiaries to be issued to their shareholders as fully paid shares.

	Consolidated		Separate	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
As at 1 July	**441,862**	448,988	**312,350**	317,656
Release to retained earnings	**(14,380)**	(7,126)	**(5,306)**	(5,306)
As at 30 June	**427,482**	441,862	**307,044**	312,350

23. BORROWINGS

	Consolidated		Separate	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Current				
Bank loans (a)	**866,009**	772,951	**416,412**	519,873
	866,009	772,951	**416,412**	519,873
Non-current				
Bank loans (a)	**129,217**	70,508	**77,832**	-
	129,217	70,508	**77,832**	-
Total borrowings	**995,226**	843,459	**494,244**	519,873

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

23. BORROWINGS (CONTINUED)

(a) Bank loans

The terms and conditions of outstanding loans are as follows:

Consolidated

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying value	Face value	Carrying value
				2021	**2021**	2020	2020
				Rs'000	**Rs'000**	Rs'000	Rs'000
Term Loan	MUR	2.90% - 4.15%	2021-2025	**482,295**	**482,295**	688,292	688,292
Import Loan	MUR	3.15% - 5.25%	2021	**512,931**	**512,931**	155,167	155,167
				995,226	**995,226**	843,459	843,459

Separate

	Currency	Nominal interest rate	Year of maturity	Face value	Carrying value	Face value	Carrying value
				2021	**2021**	2020	2020
				Rs'000	**Rs'000**	Rs'000	Rs'000
Term Loan	MUR	2.90% - 4.15%	2021-2025	**411,787**	**411,787**	364,701	364,701
Import Loan	MUR	3.15% - 5.25%	2021	**82,457**	**82,457**	155,172	77,670
				494,244	**494,244**	519,873	519,873

The loans are secured by floating charges on the immovable assets of the Company and its subsidiaries and the rates of interest vary between 2.9% and 5.25% (2020 - between 3.5% and 6.5%) per annum.

Bank overdrafts

The bank overdrafts and other facilities are secured by floating charges of Rs 1,795m (2020: Rs 1,795m) on all the assets of the Company and its subsidiaries.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

24. LEASE LIABILITIES

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	**260,161**	85,553	**106,131**	51,307
Recognition of lease liability	**-**	231,625	**-**	93,032
	260,161	317,178	**106,131**	144,339
Accretion of interest	**11,704**	9,850	**3,946**	2,835
Additions	**22,111**	12,371	**5,698**	9,310
Repayments	**(78,287)**	(79,238)	**(47,868)**	(50,353)
As at 30 June	**215,689**	260,161	**67,907**	106,131

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current				
Lease liabilities	**65,707**	68,495	**41,664**	43,021
	65,707	68,495	**41,664**	43,021
Non-current				
Lease liabilities	**149,982**	191,666	**26,243**	63,110
	149,982	191,666	**26,243**	63,110
Total Leases	**215,689**	260,161	**67,907**	106,131

There has been no short-term lease or lease of low value that have been recognised in 2020 and 2021.

Leasing agreements

Included in the above are leases relating to plant and machinery and motor vehicles with lease terms of 5 years on average. The Group and Company have the option to purchase the equipment and motor vehicles at the residual value as mentioned on the lease contract. The Group's and Company's obligations under finance lease are secured by the lessor's title to the leased assets. The rate of interest vary between 5.7% - 7.6% per annum for Company and 5.5% - 7.6% per annum for Group.

The Group and the Company also had non-cash addition to right of use asset and lease liabilities of Rs 24.2m and Rs 5.8m respectively in FY 2021

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Amounts recognised in the statements of financial position at year end				
Present value of funded obligations	**466,754**	489,011	**366,014**	374,642
Less amount deductible in accordance with WRA	**(60,068)**	(52,287)	**(28,963)**	(23,564)
	406,686	436,724	**337,051**	351,078
Fair value of plan assets	**(351,116)**	(277,136)	**(347,186)**	(272,936)
Present value of net obligations	**55,570**	159,588	**(10,135)**	78,142
Liability recognised in statement of financial position at year end	**55,570**	159,588	**(10,135)**	78,142
Disclosed as:				
Assets	**(10,135)**	-	**(10,135)**	-
Liabilities	**65,705**	159,588	**-**	78,142
	55,570	159,588	**(10,135)**	78,142

The Company has residual liability in respect of Workers Right Act (WRA) on top of its defined benefit plan. The amounts deductible in accordance with the WRA are as detailed in the accounting policy note under the employee benefits section. It is therefore exposed to investment under-performance of the defined contribution plan. See sensitivity analysis below.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Amounts recognised in the statements of profit or loss and other comprehensive income

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Current service costs	**25,665**	22,718	**21,106**	17,911
Interest costs	**4,448**	4,245	**2,226**	1,306
Fund expenses & life insurance	**1,379**	1,303	**1,358**	1,242
Contributions by employees	**(8,085)**	(5,422)	**(8,085)**	(5,422)
Curtailment/settlement (gain)	**-**	-	**(749)**	-
Past service cost	**2,030**	1,048	**-**	463
Net cost for the year recognised in profit or loss	**21,377**	23,892	**15,856**	15,500
Remeasurement recognised in OCI	**(94,819)**	78,127	**(82,727)**	51,249
Net cost for the year	**(73,442)**	102,019	**(66,871)**	66,749
Net interest cost for the year				
Interest on obligation	**12,338**	20,771	**9,994**	17,619
Expected return on plan assets	**(7,890)**	(16,526)	**(7,768)**	(16,313)
Net interest cost	**4,448**	4,245	**2,226**	1,306

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Re-measurement recognised in other comprehensive income for the year:				
Actuarial gains/(losses) on the plan assets	53,806	(12,803)	54,242	(13,280)
Actuarial gains/(losses) arising from:				
- Financial assumptions	21,581	(52,700)	36,300	(48,413)
- Experience adjustment	19,432	(12,624)	(7,815)	10,444
Re-measurement recognised in OCI – (Loss)/Gain	94,819	(78,127)	82,727	(51,249)
Changes in the Present Value of the Obligation				
Present value of obligation at start of year	436,724	351,948	351,078	295,596
Effect of movement of Peninsula Ltd to Innodis Ltd	-	-	267	-
Interest cost	12,338	20,771	9,994	17,619
Current service cost	25,665	22,718	21,106	17,911
Benefits paid	(29,059)	(25,085)	(16,161)	(18,480)
Past service costs	2,030	1,048	-	463
Curtailment/settlement (gain) loss on obligation	-	-	(749)	-
Expected obligation at end of year	447,698	371,400	365,535	313,109
Present value of obligation at end of year	406,686	436,724	337,051	351,078
Remeasurement recognised in OCI at end of year -loss	41,012	(65,324)	28,484	(37,969)

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2021	2020	2021	2020
	Rs'000	Rs'000	Rs'000	Rs'000
Changes in the Fair Value of the Plan Assets				
Fair value of plan assets at start of period	277,136	264,166	272,936	260,746
Expected return on plan assets	7,890	16,526	7,768	16,313
Contributions to plan assets	27,864	24,761	27,799	24,609
Benefits paid out of plan assets	(14,202)	(14,211)	(14,202)	(14,210)
Fund expenses & life insurance	(1,379)	(1,303)	(1,358)	(1,242)
Expected fair value at end of year	297,309	289,939	292,943	286,216
Fair value of plan assets at end of year	351,116	277,136	347,186	272,936
Remeasurement recognised in OCI at end of year – Losses	(53,807)	12,803	(54,243)	13,280
Movement in liability recognised in the statement of financial position				
At 1 July	159,588	87,782	78,142	34,850
Effect of recognising Defined Benefit member	-	-	267	
Expense recognised in the statement of comprehensive income	21,378	23,892	15,856	15,500
Actuarial gain on unfunded retirement benefit	(94,819)	78,127	(82,727)	51,249
Contributions paid	(30,576)	(30,213)	(21,674)	(23,456)
At 30 June	55,571	159,588	(10,135)	78,143
Principal actuarial assumptions at end of year				
Discount rate (%)	3.15 - 5.05	2.14 – 3.12	3.15 - 5.05	2.14 – 3.12
Expected rate of return on plan assets (%)	3.15 - 5.05	2.14 – 3.12	3.15 - 5.05	2.14 – 3.12
Future salary increases (%)	2	2	2	2

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Experience adjustments on:				
Plan liabilities	**(19,432)**	14,697	**(7,815)**	10,444
Plan assets	**(53,806)**	12,803	**(54,242)**	13,280
Sensitivity				
Effect on present value of unfunded obligations				
1% Increase in Discount Rate	**(25,569)**	(30,220)	**(15,502)**	(17,700)
1% Decrease in Discount Rate	**28,504**	34,075	**17,903**	20,766
1% Increase in Salary Increase	**7,482**	11,235	**4,983**	7,171
1% Decrease in Salary Increase	**(6,359)**	(9,447)	**(4,161)**	(5,926)

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of year after increasing or decreasing the discount rate or the future salary increases while leaving all other assumptions unchanged. The results are particularly sensitive to a change in discount rate due to the nature of the liabilities being the difference between the pure retirement gratuities under the Workers' Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Company's share of contributions. The latter amount is Rs 27.9 million (2020: Rs 24.7million) for the Group and Rs 27.8 million (2020: Rs 24.6 million) for the Company as at 30 June 2021 in respect of the Defined Contribution fund.

The major categories of plan assets at the reporting date for each category are as follows:

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Local equities	**104,633**	87,852	**103,461**	86,521
Overseas equities	**161,864**	114,734	**160,053**	112,995
Fixed interest	**45,996**	39,908	**45,482**	39,303
Cash and others	**38,623**	34,642	**38,190**	34,117
Total market value of assets	**351,116**	277,136	**347,186**	272,936
Present value of plan liability	**(406,686)**	(436,724)	**(337,051)**	(351,078)
Surplus/(Deficit)	**(55,570)**	(159,588)	**10,135**	(78,142)

The weighted average duration of the defined benefit obligation is 13.4 years (2020: 13.7 years) for the Group as at 30 June 2021.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

25. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Expected contribution for next year

The Group and the Company are expected to contribute Rs 4.2 million and Rs 2 million respectively to the pension scheme for the year ended 30 June 2022 (2021: Rs 4.2 million and Rs 2 million respectively).

Actuarial risk

- **Interest risk**

  The present value of the obligation is calculated using a discount rate based on the yields of long term government bonds. An increase or decrease in the discount rate of 1 basis point will have a significant impact on the liabilities as can be seen in the sensitivity section of the results.

- **Salary risk**

  The present value of the liability is calculated based on the future salary increase of the non-members and members of the Defined Benefit plan. Sensitivity analysis of salary increase assumption has been performed to assess its impact on the liability. An increase in salary increase assumption leads to an increase in the present value of the obligations.

- **Longevity risk**

  The present value of the obligation for the Defined Contribution members and present value of future pension in payment are calculated based on the best estimate of plan participants' mortality after retirement. Sensitivity has also been performed in respect of the mortality assumption. An increase in the life expectancy of the plan participants will increase the liability.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

26. DEFERRED TAX LIABILITIES

The movement in temporary differences during the year were as follows:

Consolidated

	Assets		Liabilities		Net	
	2021	2020	**2021**	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Tax losses carried forward	**4,336**	3,043	**-**	-	**4,336**	3,043
Accelerated capital allowances	**-**	-	**(73,440)**	(75,613)	**(73,440)**	(75,613)
Surplus on revaluation of building	**-**	-	**(59,245)**	(59,245)	**(59,245)**	(59,245)
Employee benefit obligations	**9,123**	26,787	**-**	-	**9,123**	26,787
Right of use-lease assets	**1,391**	787	**-**	-	**1,391**	787
Provision for expected credit losses	**26,308**	23,159	**-**	-	**26,308**	23,159
	41,158	53,776	**(132,685)**	(134,858)	**(91,527)**	**(81,082)**

Included in the net balance of the deferred tax liabilities as at 30 June 2021, is an amount of deferred tax assets relating to Supercash Ltd amounting to Rs 1.6 million (2020: Rs 1.9 million) which has been disclosed on a gross basis in the statement of financial position.

Separate

	Assets		Liabilities		Net	
	2021	2020	**2021**	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Accelerated capital allowances	**-**	-	**(14,301)**	(13,160)	**(14,301)**	(13,160)
Surplus on revaluation of building	**-**	-	**(45,100)**	(45,100)	**(45,100)**	(45,100)
Employee benefit obligations	**-**	13,283	**(1,724)**	-	**(1,724)**	13,283
Right of use-lease assets	**281**	227	**-**	-	**281**	227
Provision for expected credit losses	**41,797**	39,779	**-**	-	**41,797**	39,779
Tax loss	**1,714**	-	**-**	-	**1,714**	-
	43,792	53,289	**(61,125)**	(58,260)	**(17,333)**	**(4,971)**

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

26. DEFERRED TAX LIABILITIES (CONTINUED)

The movements in temporary differences during the year were as follows:

Consolidated

	Balance at 30 June 2019	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2020	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2021
	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment	(80,070)	4,457	-	(75,613)	**2,173**	**-**	**(73,440)**
Revaluation of property	(59,245)	-	-	(59,245)	**-**	**-**	**(59,245)**
Employee benefits	14,672	(1,101)	13,216	26,787	**(1,609)**	**(16,055)**	**9,123**
Right of use-lease assets	-	787	-	787	**604**	**-**	**1,391**
Provisions	28,771	(5,612)	-	23,159	**3,149**	**-**	**26,308**
Tax losses carried forward	12,342	(9,299)	-	3,043	**1,293**	**-**	**4,336**
	(83,530)	(10,768)	13,216	(81,082)	**5,610**	**(16,055)**	**(91,527)**

Separate

	Balance at 30 June 2019	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2020	Recognised in profit or loss	Recognised in equity	Balance at 30 June 2021
	Rs'000	Rs'000	Rs'000	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Property, plant and equipment	(19,306)	6,146	-	(13,160)	**(1,141)**	**-**	**(14,301)**
Revaluation of property	(45,100)	-	-	(45,100)	**-**	**-**	**(45,100)**
Employee benefits	5,924	(1,353)	8,712	13,283	**(943)**	**(14,064)**	**(1,724)**
Right of use-lease assets	-	227	-	227	**54**	**-**	**281**
Provisions	45,455	(5,676)	-	39,779	**2,018**	**-**	**41,797**
Tax losses	2,529	(2,529)	-	-	**1,714**	**-**	**1,714**
	(10,498)	(3,185)	8,712	(4,971)	**1,702**	**(14,064)**	**(17,333)**

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

27. TRADE AND OTHER PAYABLES

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**367,076**	261,012	**157,001**	107,368
Accruals and other payables	**86,499**	104,775	**62,198**	27,094
Amounts owed to subsidiaries	**-**	-	**38,880**	121,015
	453,575	365,787	**258,079**	255,477

Trade and other payables are non-interest bearing and have an average term of 30 to 90 days.

Amounts owed to subsidiaries and related parties are unsecured, interest free and with no fixed repayment terms. Refer to Note 29. The carrying amount approximate their fair value due to their short term nature.

Accruals and other payables include accrued marketing and advertising expenses, salaries, wages, local creditors and provision of end of year bonus.

28 DIVIDENDS

	Separate	
	2021	2020
	Rs'000	Rs'000
Dividend declared but not paid		
Final dividend for 2020 (1.15 per share)	**42,240**	-
Dividend declared and paid		
Final dividend for 2020 (1.15 per share)	**-**	42,240

	Separate	
	2021	2020
	Rs'000	Rs'000
Dividend per share	**1.15**	1.15

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

29. RELATED PARTY TRANSACTIONS

Nature of transaction/ balance at year end	Nature of relationship	Name of related party	Terms and conditions	Transaction for the year		Balance at 30 June	
				2021	2020	**2021**	2020
				Rs'000	Rs'000	**Rs'000**	Rs'000
Consolidated							
Sales/(Purchases) of goods and services	Associate	Salière de l'Ouest Limitée	Normal course of business	**(959)**	-	**876**	1,835
				(959)	-	**876**	1,835
Payment for services received	Shareholder	Altima Ltd	Technical fees of 0.35 % of turnover is charged	**(8,894)**	(10,205)	**(1,492)**	(1,865)

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

29. RELATED PARTY TRANSACTIONS (CONTINUED)

Nature of transaction/ balance at year end	Nature of relationship	Name of related party	Terms and conditions	Transaction for the year		Balance at 30 June	
				2021	2020	**2021**	2020
Separate				**Rs'000**	Rs'000	**Rs'000**	Rs'000
Sales/(Purchases) of goods and services	Subsidiary	Challenge Hypermarkets Ltd	Normal course of business	**-**	-	**(641)**	(644)
	Subsidiary	Innodis Poultry Ltd	Normal course of business	**(582,105)**	(658,287)	**(38,239)**	(120,356)
				(582,105)	(658,287)	**(38,880)**	(121,000)
Sales/(Purchases) of goods and services	Subsidiary	Supercash Ltd	Normal course of business	**50,207**	63,397	**15,804**	2,108
	Subsidiary	Mauritius Farms Ltd	Normal course of business	**-**	-	**46,443**	46,443
	Subsidiary	Peninsula Rice Milling Ltd	Normal course of business	**(13,973)**	(32,837)	**(4,743)**	4,236
	Subsidiary	Point Frais Franchise Ltd	Normal course of business	**-**	2,033	**8,965**	8,965
	Subsidiary	Poulet Arc en Ciel Ltée	Normal course of business	**(5,703)**	(14,917)	**71,418**	73,593
	Subsidiary	Green Island Milling Ltd	Normal course of business	**-**	-	**1,777**	1,777
				30,530	17,676	**139,664**	146,421
Rental	Subsidiary	Supercash Ltd	Normal course of business	**1,526**	1,526	**-**	-
	Subsidiary	Innodis Poultry Ltd	Normal course of business	**47,693**	47,693	**-**	-
				49,219	49,219	**-**	-
Sales/(Purchases) of goods and services	Associate	Salière de l'Ouest Limitée	Normal course of business	**(959)**	-	**876**	1,835
				(959)	-	**(876)**	1,835

The sales to and purchases from related parties are made in the normal course of business. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables for the year ended 30 June 2021, the Group and Company have not made any provision for doubtful debts relating to amounts owned by related parties (2020: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

29. RELATED PARTY TRANSACTIONS (CONTINUED)

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Directors remuneration	**37,427**	39,180	**16,499**	23,945

	Consolidated		Separate	
	2021	2020	**2021**	2020
Key management personnel's emoluments	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Short-term employment benefit	**21,162**	26,457	**16,540**	24,488
Post-employment benefit	**1,270**	1,526	**992**	1,412
	22,432	27,983	**17,532**	25,900

Innodis Ltd defines its key management personnel as the members of the Executive Committee, including the Chief Executive Officer.

30. MAJOR SHAREHOLDERS

The major shareholders of the Company and their holdings are as follows:

- Foods Div Ltd – 33.73%
- Altima Ltd – 13.07%
- National Pension Fund – 7.98%

31. CAPITAL COMMITMENTS

Capital expenditure authorised at the reporting date but not yet contracted for is as follows:

	Consolidated		Separate	
	2021	2020	**2021**	2020
	Rs'000	Rs'000	**Rs'000**	Rs'000
Property, plant and equipment	**168,487**	202,837	**45,900**	36,575

Notes to the consolidated and separate financial statements (Continued)

For the year ended 30 June 2021

32. CONTINGENT LIABILITIES

The Group and the Company have no contingent liability as at 30 June 2021.

33. FINANCIAL SUPPORT

Innodis Ltd, the holding company, has confirmed through a letter of financial support, that it will financially be supporting HWFRL Investments Ltd and Moçambique Farms Limitada to enable them to meet their obligations as and when they fall due, for a period of more than twelve months.

34. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 30 June 2021.

Notes

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