

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of PIM Limited for the year ended June 30, 2023, the contents of which are listed below.

This report was approved by the Board of Directors on 21 September 2023.



RAOUL JOSEPH PAUL CLARENC

Chairman



JINNY C. CHAN CHANG

Director

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CORPORATE INFORMATION

BACKGROUND

Incorporated on June 1, 1970

Listed on the Stock Exchange of Mauritius on June 30, 1993

Certified ISO 9001: 2000 on October 9, 2002

Certified ISO 9001: 2008 on September 16, 2009

Certified ISO 9001: 2015 on June 19, 2018

Accredited supplier for Coca Cola: on July 31, 2017

DIRECTORS

The Directors of the Company as at June 30, 2023 are:

Mr. Raoul Joseph Paul Clarenc

Mrs. Jinny C. Chan Chang

Mr. M. Paul Eric Piat Corson

Mr. Mushtaq Mohamed O.Noormohamed Oosman

Mr. Marie Joseph Nicolas Merven (Appointed on December 1, 2022)

Mr. C. Philippe de Bragard Hardy (Resigned on December 31, 2022)

Mr. Allain Doger De Speville (Passed away on September 17, 2022)

The Directors of the PIM Recycling Ltd – subsidiary as at June 30, 2023 are:

Mr. Raoul Joseph Paul Clarenc

Mrs. Jinny C. Chan Chang

Mr. Mushtaq Mohamed O.Noormohamed Oosman

Mr. M. Paul Eric Piat Corson

Mr. Marie Joseph Nicolas Merven (Appointed on December 1, 2022)

PRINCIPAL MANAGERS

Mr. M. Paul Eric Piat Corson (Managing Director)

Mr. Raj Brigemohane (Finance Manager)

CORPORATE

INFORMATION (CONT'D)

LEGAL ADVISER

Ahnee-Duval
Legal Consultants & Law Practitioners

REGISTERED OFFICE AND SHARE REGISTRY OFFICE

Level 3
Alexander House
35, Cybercity
Ébène
Mauritius

HEAD OFFICE AND FACTORY ADDRESS

P.O. Box 1173
Quay Road
Port Louis
Mauritius
Tel: 216-3000
Fax: 240-8890
Email: pim@pimltd.mu

SECRETARY

Intercontinental Secretarial Services Ltd

PRINCIPAL BANKERS

The Mauritius Commercial Bank Ltd
ABSA Bank (Mauritius) Limited

AUDITOR

Deloitte
7th – 8th Floor Standard Chartered Tower
19-21 Bank Street, Cybercity
Ébène 77201
Mauritius

DIRECTORS REPORT

On behalf of the Board of Directors, we are pleased to present the annual report and audited financial statements of PIM Limited (the "Company") and its subsidiary for the year ended June 30, 2023.

FINANCIAL RESULTS

Over the last 3 years, results of the Company and Group for 2023 have been as follows:

	THE COMPANY		THE GROUP	
	2021 RS'000	2022 RS'000	2023 RS'000	2023 RS'000
Turnover	234,595	293,355	312,294	312,294
Profit before taxation	7,420	9,565	10,110	10,274
Taxation Income tax (expense)/credit	(1,215)	(1,525)	1,890	1,890
Profit for the year	6,205	8,040	12,000	12,164
				RS
Earnings per share				7.18

DIVIDENDS

In the financial year 2023, the Company declared a dividend on December 6, 2022, of Rs. 3.0m (Rs. 1.50 per share) which was paid on January 16, 2023 and an additional dividend on June 16, 2023, of Rs. 4.0m (Rs.2.00 per share) which was paid in July 2023.

APPRECIATION

We would like to thank our fellow Directors, the management and all our employees for their hardwork, loyalty and dedication during the year.



RAOUL JOSEPH PAUL CLARENC

Chairman



JINNY C. CHAN CHANG

Director

Date: 21 September 2023

OTHER STATUTORY DISCLOSURES

PRINCIPAL ACTIVITY

The principal activity of the Company is the manufacture of a wide range of plastic products for both domestic and industrial purposes destined to the local and regional markets. The subsidiary's activity consists of collecting plastic waste or plastic having reached end of life and to process those plastic wastes into flakes to sell on the local and regional markets.

DIRECTORS

The Directors of the company and its subsidiary are listed on page 2.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	2023 RS	2022 RS
Executive Directors	5,564,075	4,780,656
Non-Executive Directors	1,041,038	1,043,113
	6,605,113	5,823,769

DIRECTORS' INTERESTS

The direct and indirect interest of the Directors and Senior Officers in the securities of the Group as at June 30, 2023 were:

	ORDINARY SHARES	
	DIRECT	INDIRECT
DIRECTORS:		
Mr. Raoul Joseph Paul Clarenc	-	(SEE NOTE)
Mrs. Jinny C. Chan Chang	-	-
Mr. M. Paul Eric Piat Corson	-	-
Mr. Mushtaq Mohamed O.Noormohamed Oosman	-	-
Mr. Marie Joseph Nicolas Merven	-	-
FINANCE MANAGER		
Mr Raj Brigemohane	-	-
COMPANY SECRETARY		
Intercontinental Secretarial Services Ltd	-	-

Note: Mr. Raoul Joseph Paul Clarenc holds 0.11% shares in Mauritius Oil Refineries Ltd, a shareholder of the Company.

OTHER STATUTORY DISCLOSURES (CONT'D)

SUBSTANTIAL SHAREHOLDERS

Please refer to page 6(a) of the Corporate Governance Report of the Company.

DONATIONS

The Group made a donation of Rs.297,608 during the year (2022: Rs.267,800). Corporate Social Responsibility contribution amounted to Rs.21,000 (2022: Rs.121,000).

SUBSEQUENT EVENTS

There are no significant events which have occurred between the end of the reporting date and the date of the approval of the financial statements.

AUDITOR

	2023	2022
	RS	RS
- Auditor's fee	715,000	650,000

No other services was provided by the auditor.



RAOUL JOSEPH PAUL CLARENC

Chairman

Date: 21 September 2023



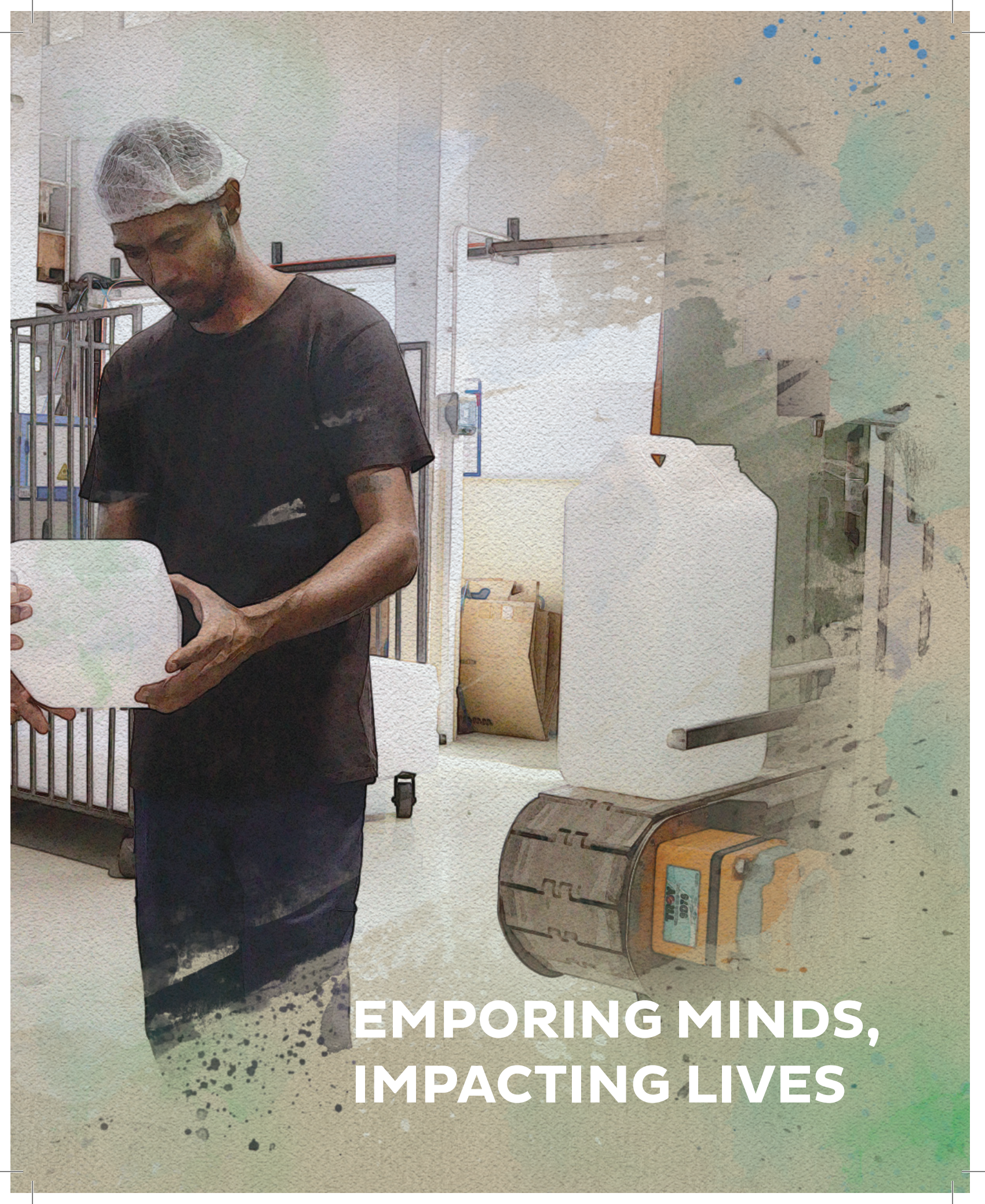
JINNY C. CHAN CHANG

Director



CORPORATE GOVERNANCE REPORT





**EMPORING MINDS,
IMPACTING LIVES**

CORPORATE GOVERNANCE

REPORT

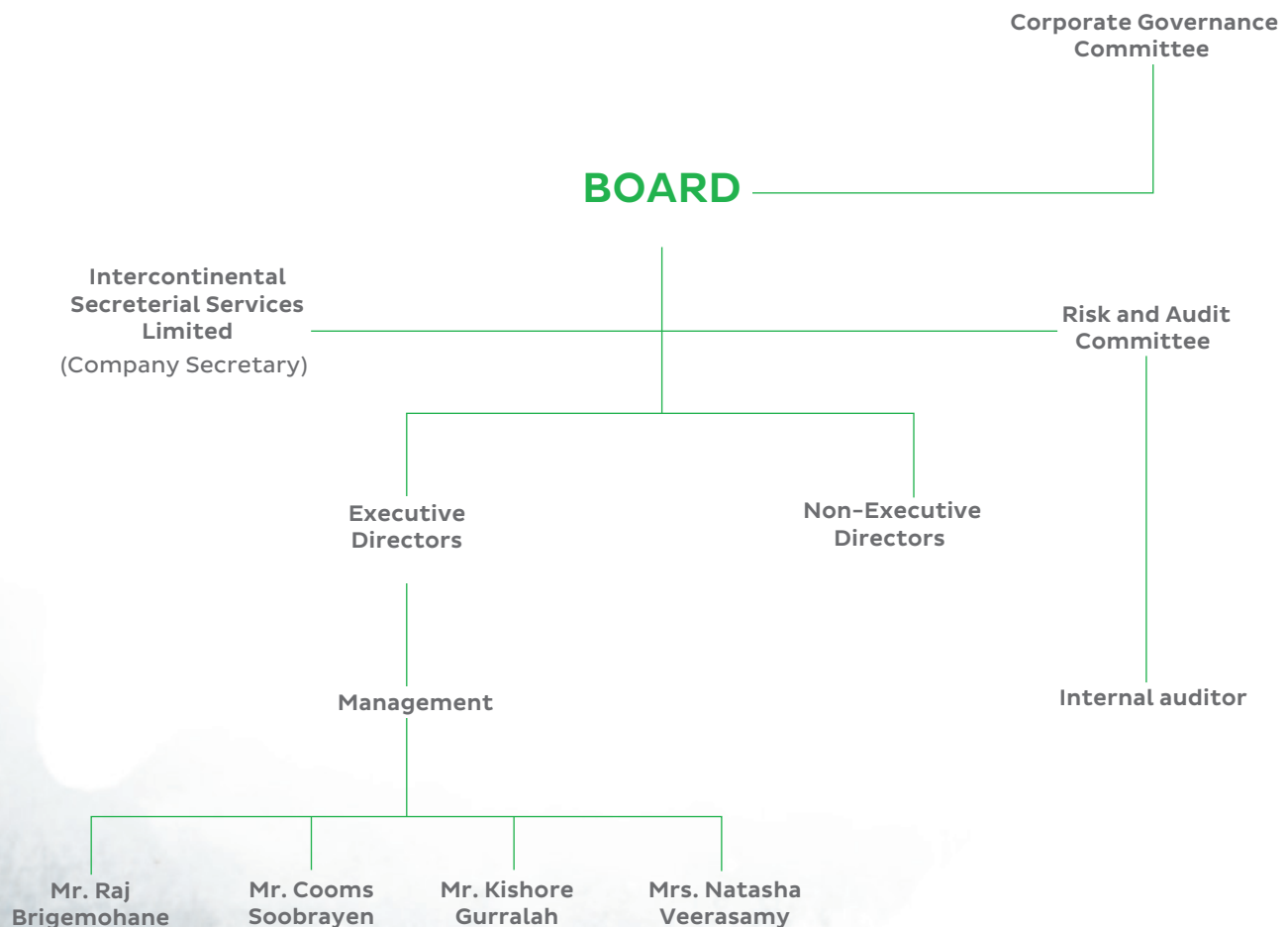
Corporate governance is a system of structuring, operating and controlling a company and involves a set of relationships between all the company's stakeholders. Sound principles of corporate governance are essential to ensure fairness, integrity, transparency and to achieve a high level of stakeholders' trust and confidence in the organisation.

PIM Limited, (the "Company") was incorporated in 1970 and admitted on the Official list of the Stock Exchange of Mauritius on June 30, 1993. PIM Limited is a public interest entity (PIE), as defined under the Financial Reporting Act 2004.

The principal activity of the Company is the manufacture of plastic products for all industrial and commercial purposes by blow moulding and injection processes destined to both local and regional markets. The range of products includes household products and packaging for the chemical, detergent, paint, beverages, food and environment sectors.

The Board of Directors of the Company recognises that The National Code of Corporate Governance of Mauritius (2016) (the "Code") is regarded as the best practice and therefore uses its best endeavours to ensure that the principles of good corporate governance, as applicable in Mauritius, form an integral part of the way in which the Company's business is conducted. The Company also endeavours to apply the recommendations of the Code.

ORGANISATIONAL STRUCTURE



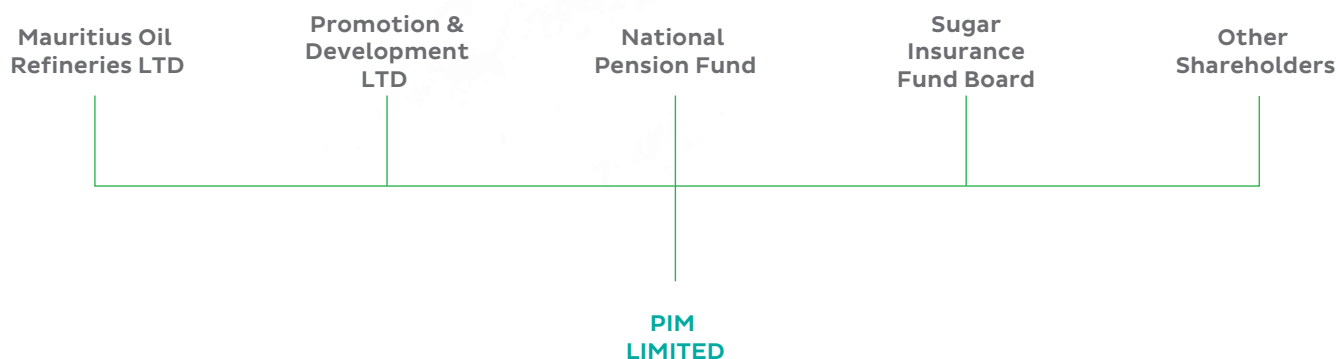
CORPORATE GOVERNANCE

REPORT (CONT'D)

SHAREHOLDERS

Holding structure

The holding structure of the Company is as follows:



Substantial Shareholders

The following shareholders held more than 5% of the stated capital of the Company as at June 30, 2023:

NAME OF SHAREHOLDER	NUMBER OF ORDINARY SHARES	% HOLDING
Mauritius Oil Refineries Ltd	645,146	32.26%
Promotion & Development Ltd	310,519	15.53%
National Pension Fund	298,715	14.94%
Sugar Insurance Fund Board	106,000	5.30%

Except for the above, there is no other party having any material interest of 5% or more of the stated capital of the Company.

Shareholders' Agreement affecting governance of the Company by the Board

There was no such agreement in place during the year under review.

CORPORATE GOVERNANCE

REPORT (CONT'D)

Dividend Policy

No dividend shall be declared and paid except out of retained earnings and unless the Directors determine that immediately after the payment of the dividend:

- I. The Company will be able to satisfy the solvency test in accordance with Section 6 of the Mauritius Companies Act 2001; and
- II. The realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its stated capital.

Subject to the financial results, the satisfaction of the solvency test and to the Company's working capital requirements and investments, the Board normally declares dividends twice per year.

In the financial year 2023, the Company declared an interim dividend on December 6, 2022, of Rs. 3.0m (Rs. 1.50 per share) and a final dividend on June 16, 2023, of Rs. 4.0m (Rs. 2.00 per share).

APPLICATION OF THE CODE OF CORPORATE GOVERNANCE

The Board has assessed its Corporate Governance in terms of the eight corporate governance principles:

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board is ultimately accountable and responsible for the performance and affairs of the Company, whilst meeting the appropriate interests of its shareholders and stakeholders. To achieve this, the Board is responsible for establishing the objectives of the Company and setting a philosophy for investments, performance and ethical standards. In addition, the Board ensures that the Company complies with the relevant rules and regulations. Quarterly board meetings are held every year.

The Board collectively considers and implements the measures in respect of the Code. The Board is responsible for, *inter alia*:

- Determining, agreeing and developing the Company's general policy on corporate governance in accordance with the Code;
- Preparing the Corporate Governance Report; and
- Reviewing the terms and conditions of all service agreements between the Company and its service providers.

The Company has in place a Constitution which sets out the rules and regulations which it needs to abide along with other local laws and regulations.

The Board acknowledges that it should lead and control the entity and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements.

The Board is responsible and accountable for all decisions of the Company where the duties of the directors are carried out in line with the Mauritius Companies Act 2001. The Company has delegated the day-to-day administrative functions to its Company Secretary.

The Company's organisational chart is commensurate with the sophistication and scale of the organisation. The Company has five directors in appointment.

The Board is satisfied that it has suitably discharged its responsibilities for the year under review, in respect of corporate governance.

The Company is committed to providing shareholders and its stakeholders with timely and relevant information.

CORPORATE GOVERNANCE

REPORT (CONT'D)

Chairman of the Board

In his role as Chairman of the Company, Mr Paul Clarenc (non-executive director) is responsible for leading the Board and ascertaining its effectiveness. He ensures that the corporate strategy and the related execution are aligned with operational efficiencies. He is also responsible for ensuring that the Directors receive accurate, timely and clear information and he encourages the active participation of all Board members in discussions and decisions. With his experience and strong knowledge of the Company, the Chairman is in an excellent position to oversee the affairs of the Company while ensuring that value is being created for all stakeholders.

Role of the Non-Executive and Independent Directors

The two non-executive and independent directors play a vital role in facilitating the exercise of independent and objective judgement on corporate affairs and to ensure that constructive discussion takes place on key issues. All directors are bound by fiduciary duties and duties of care and skill.

Code of Conduct and Ethics

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Board has also approved a Code of Conduct and Ethics which provides guidance to directors and help them recognise and deal with ethical issues and help to foster a culture of honesty and accountability and mechanisms to report unethical conduct. The Directors and management are expected to act in good faith, make informed decisions and adopt policies that are in the best interests of the Company. The Code of Conduct and Ethics is reviewed annually by the Board, and it is updated as needed to respond to new business needs and any changes in regulatory or other requirements.

Board Charter

The Board of Directors has approved a Board Charter for the Company. The Board Charter is a written policy document, which has for aim to clearly define the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and management in setting the direction, the management and the control of the organisation. The Board Charter is reassessed at least on an annual basis.



CORPORATE GOVERNANCE

REPORT (CONT'D)

Board Composition

The Board has a unitary structure and comprises of one executive director, three Non-Executive Directors and two Independent Non-Executive Directors. The independence of the Non-Executive members are determined as per the Code of Corporate Governance. The number of Board members is proportionate with the size of the Company. Board appointments are made upon recommendation of the Corporate Governance committee, which is responsible for the nominations and appointments. Board appointments are done through a transparent selection process, which ensures the right balance of skills, experience and competencies in order to achieve the objectives of the Company. There is no fixed term contract for executive director and the notice period for termination or resignation is one calendar month. The Board is of the view that given the nature of the business, it is not imperative to have individuals with specialised technical skills on its Board. Therefore, it should not be difficult to find new members of appropriate calibre to replace existing ones, when required.

Mr. M Paul Eric Piat Corson has been appointed as the Executive Director on November 13, 2014. Due to the size of the Company in terms of turnover, and nature of the activities of the Company, the Board of the Company is of the opinion that one executive director is sufficient.

During the year under review Mr. M. J. G. Allain Doger de Speville (Non-Executive Director) passed away on the September 17, 2022 and Mr. C. Philippe de Bragard Hardy (Non-Executive Director) resigned on December 31, 2022.

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES

Board Structure

The Board and committees are as follows:

BOARD	Mr. Raoul Joseph Paul Clarenc – Chairman and Non-Executive Director Mrs. Jinny C. Chan Chang – Non-Executive and Independent Director Mr. M. Paul Eric Piat Corson – Executive Director Mr. Mushtaq Mohamed O. N. Oosman – Non-Executive and Independent Director Mr. Marie Joseph Nicolas Merven – Independent Non-Executive Director (Appointed on December 1, 2022)
SUB-COMMITTEE	MEMBERS APPOINTED
AUDIT AND RISK COMMITTEE	Mrs. Jinny C. Chan Chang (Chairman) Mr. Marie Joseph Nicolas Merven Mr. Mushtaq Mohamed O. N. Oosman
CORPORATE GOVERNANCE COMMITTEE	Mr. Mushtaq Mohamed O. N. Oosman (Chairman) Mr. Raoul Joseph Paul Clarenc Mr. Paul Eric Piat Corson

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Directors' Profile

The names of all Directors, their profile and their categorisation as well as their directorship details in listed companies are provided hereafter:



MR. RAOUL JOSEPH PAUL CLARENC

Chairman

Mr. Raoul Joseph Paul Clarenc, aged 79, joined the Board of Directors of PIM Limited on December 15, 2004. He was appointed Chairman of the Company on January 20, 2005.

He is also a Director of Mauritius Oil Refineries Limited.

Listed company directorships:
1 (Mauritius Oil Refineries Limited)



MR. M. PAUL ERIC PIAT CORSON

Mr. M. Paul Eric Piat Corson, aged 61, joined the Company on September 30, 2013 as Project Manager. On the January 1, 2014, he was appointed as the General Manager in charge of the day-to-day business of the Company and on November 13, 2014, he became the Executive Director.

Listed company directorships: None



MRS. JINNY C. CHAN CHANG

Mrs. Jinny C. Chan Chang, aged 51, joined the Board of Directors of PIM Limited on February 08, 2013. She is the Finance Director of Jade Group of companies.

Listed company directorships: None



**MR. MUSHTAQ MOHAMED
O. N. OOSMAN**

Mr. Mushtaq Mohamed O. N. Oosman, aged 68, joined the Board of Directors of PIM Limited on March 3, 2021. He is a Director of Automatic Systems Ltd, ENL Land Ltd, MUA Ltd, Les Moulins de la Concorde and Sun Resorts Ltd.

Listed company directorships:
4 (Automatic Systems Ltd / ENL Land Ltd / MUA Ltd / Les Moulins de la Concorde)



MR. MARIE JOSEPH NICOLAS MERVEN

Mr. Marie Joseph Nicolas Merven, aged 67, joined the Board of Directors of PIM Limited on December 1, 2022. He is also a Director of Mauritius Oil Refineries Limited.

Listed company directorships:
1 (Mauritius Oil Refineries Limited)

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Meetings

The Board meetings are held once each quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all Directors then entitled to receive notice.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at Board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at the Company's expense.

A quorum of three (3) directors is currently required for a Board Meeting of the Company and in case of equality of votes, the Chairman does not have a casting vote.

A Director of the Company who has declared his/her interest shall not vote on any matter relating to a transaction or proposed transaction in which he/she is interested and shall not be counted in the quorum present for the purpose of that decision.

A list of Directors' interests is maintained by the Company Secretary and is available to shareholders upon request to the Company Secretary. The directors confirm that the list is correct at each quarterly Board meeting.

During the year under review, the Board met five (5) times. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary, Intercontinental Secretarial Services Limited and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at the next meeting and these are then signed by the Chairman. The written resolutions for the corresponding quarter are also noted by the Board

Board Committees

The Risk and Audit committee and Corporate Governance committee have been set up to assist the Board in the effective performance of its duties. All the committees are governed by their charters which have been approved by the Board of Directors. As the focal point, the Board is ultimately responsible and accountable for the performance and affairs of the Company. Committees are a mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues. Delegating authority to Board committees or management does not in any way absolve the Board of its duties and responsibilities.

Risk and Audit committee

The Board members have set up an Audit Committee with effect from February 19, 2008 and is governed by its charter. Given that the duties of the Audit Committee encompasses the risks elements as well, the Board had approved to rename the Audit Committee as the Risk and Audit Committee, following which, an updated terms of reference was adopted. The terms of reference was last reviewed and approved on September 30, 2021. The Risk and Audit Committee consists of the following persons:

- Mrs. Jinny C. Chan Chang (Chairperson)
- Mr. Marie Joseph Nicolas Merven
- Mr. Mushtaq Mohamed O. N. Oosman

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Committees (Cont'd)

Risk and Audit committee (Cont'd)

The Risk and Audit Committee met four times this year corresponding to the Company's reporting cycle and assisted the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance systems, with all applicable legal requirements and accounting standards.

The Committee's objective comprises mainly of the evaluation of the systems of internal, financial and operational controls and accounting policies, reviewing the publication of financial information, recommending the appointment, terms of engagement and remuneration of the external auditors, and ensuring the independence of the external auditors.

The Committee's responsibility also includes the review of the Company's critical business, operational, financial and compliance exposures and sustainability issues. The Committee's role in risk management is to set the process for the identification and management of risk, report any significant risks to the Board, review corporate governance guidelines and their implementation and review and approve group insurance policies.

In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, Management and the External and Internal Auditors. The Committee reviews on an annual basis the performance of the external auditor based on the scope and results of their work and their cost effectiveness and make recommendations to the Board to be put to shareholders for approval at the AGM, the appointment, reappointment or termination of the appointment of the external auditors. The Risk and Audit Committee afterwards makes recommendations to the Board for its approval or final decision. On the basis of an Internal Audit Report to which management was favourable, recommendations of proposed measures were implemented where applicable. The Committee shall going forward ensure that the Risk and Audit Committee meet with the external auditor at least once a year without Management presence.

Corporate Governance Committee

The Corporate Governance Committee was set up on January 20, 2005 and included the Nomination and Remuneration Committees. The members of the Corporate Governance Committee are as follows:

- Mr. Mushtaq Mohamed O. N. Oosman (Chairman)
- Mr. Raoul Joseph Paul Clarenc
- Mr. Paul Eric Piat Corson

The duties of the Corporate Governance Committee are as follows:

- to advise the Board on all corporate governance provisions to be adopted;
- to make recommendations to the Board on all aspects of remuneration and appointments; and
- to ensure that the disclosure requirements with regard to corporate governance are in accordance with the principles of the applicable Code of Corporate Governance.

The Corporate Governance Committee met three times this year and has fulfilled its responsibilities in compliance with its terms of reference.

The Corporate Governance Committee also carries out the role of the Nomination and Remuneration Committee.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Board Committees (Cont'd)

Corporate Governance Committee (Cont'd)

The roles with respect to the Nomination matters are:

- I. to make recommendations to the board on all new board appointments; and
- II. to review through a formal process the balance and effectiveness of the Board, identifying the skills needed and those individuals who might best be seen to be providing such skills in a fair and thorough manner.

The roles with respect to the Remuneration matters are:

- I. to develop a policy on remuneration of executives and for fixing the remuneration and benefit packages of Directors, within agreed terms of reference; and
- II. to make recommendations to the full board in relation to remuneration of non-executives.

The terms of reference of the Corporate Governance Committee was last reviewed and approved on September 30, 2021.

Board Attendance at Meetings

The Board meets as and when required to discuss routine and other significant matters so as to ensure that the Directors maintain overall control and supervision of the Company's affairs.

The following table gives the record of attendance at Board meetings and Committee meetings of the Company for the year under review:

		BOARD MEETING	RISK AND AUDIT COMMITTEE	CORPORATE GOVERNANCE COMMITTEE
NUMBER OF MEETINGS	CATEGORY	5	4	3
Raoul Joseph Paul Clarenc	NED	4/5	N/A	3/3
Jinny C. Chan Chang	INED	5/5	4/4	N/A
M. Paul Eric Piat Corson	ED	5/5	N/A	3/3
C. Philippe De Bragard Hardy*	NED	2/3	1/2	3/3
Mushtaq Mohamed O. N. Oosman	INED	5/5	4/4	3/3
Marie Joseph Nicolas Merven**	INED	2/2	2/2	N/A
Marie Joseph Georges Allain Doger de Speville***	NED	1/1	N/A	N/A

ED: Executive Director

NED: Non-Executive Director

INED: Independent Non-Executive Director

*Mr. C. Philippe De Bragard Hardy resigned as director on December 31, 2022.

**Mr. Marie Joseph Nicolas Merven was appointed as director to the Board on December 1, 2022.

***Mr. Marie Joseph Georges Allain Doger de Speville was appointed as director to the Board on May 5, 2022 and passed away on September 17, 2022.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 2: STRUCTURE OF THE BOARD AND ITS COMMITTEES (CONT'D)

Contracts of Significance

During the year under review, there was no contract of significance to which the Company was a party and in which a director of the Company was materially interested either directly or indirectly, except as disclosed otherwise.

Directors' Interest in the Stated Capital of the Company as at June 30, 2023

Dealing in the Company's securities by Directors is regulated and monitored as required by the SEM listing rules.

The Directors follow the principles of the model code on securities transactions by Directors as detailed in Appendix 6 of the SEM Listing Rules.

The Directors' interests in the shares of the Company as at June 30, 2023 are as follows:

DIRECTORS	DIRECT HOLDING	INDIRECT HOLDING
Mr. Raoul Joseph Paul Clarenc	-	Note 1
Mr. M. Paul Eric Piat Corson	-	-
Mrs. Jinny C. Chan Chang	-	-
Mr. Mushtaq Mohamed O. N. Oosman	-	-
Mr. Marie Joseph Nicolas Merven	-	-

Note 1 – Mr. Raoul Joseph Paul Clarenc holds 0.11% shares in Mauritius Oil Refineries Ltd.

The Company Secretary is responsible for maintaining the register of director's interest in shares and the register is available for inspection upon written request to the Company Secretary. Directors confirm that the list is correct at each quarterly board meeting.

Company Secretary

Intercontinental Secretarial Services Limited (ISSL) is a suitably qualified, experienced and competent company secretary that is appropriately empowered to fulfil duties and provide assistance to the Board.

The Company Secretary is responsible to the Board for ensuring that procedures and regulations are complied with and that Directors are conversant with their duties and responsibilities. The Company Secretary provides the Board as a whole and Directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company.

The Board has considered the competence, qualifications and experience of the company secretary, and deemed it fit to continue in the role as company secretary for the Company.

The Company Secretary also acts as Secretary to the different board committees.

The Company Secretary is subject to annual evaluation by the Board.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

Director Appointment Procedures

The Board, through the Corporate Governance Committee, follows a rigorous, formal and transparent procedure to select and appoint new Directors. The Corporate Governance Committee leads the process according to the Company's Constitution and makes recommendations to the Board.

Shareholders are ultimately responsible for electing or removing Board members upon recommendation of the Board. The Directors have been appointed by the Board and they re-offer themselves for re-appointment at the Annual General Meeting. Board members are selected to achieve a mix of skills and knowledge appropriate to the Company's business.

Succession Planning

The Board has approved a formal succession planning policy on May 6, 2021 and same has been adopted by the Company.

Board Orientation and Induction

The Company has put in place procedures to ensure that newly appointed Directors receive an induction upon joining the Board to familiarise them with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities. The Company's relevant governing documents are also provided to them. The Chairperson arranges for a meeting with any new director to brief on the Company's activities and governance requirements and expectations.

Professional Development and Training

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional development. The Board conducts annual reviews to identify areas where the Board members require further training or education.



CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

The Directors of the Company are aware of their duties under the Mauritius Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business. The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Company's operational, regulatory and compliance matters. The Directors are provided with appropriate notice and materials to help them in their decision-making.

Directors' Interests

Directors inform the Company as soon as they become aware that they have an interest in a transaction. The Company Secretary keeps a register of Directors' interests and ensures that the register is updated regularly. The interest register is available to the shareholders of the Company upon request to the Company Secretary.

Directors' Remuneration

The remuneration and benefits payable to the Directors of the Company in their capacity as Directors (or in any other capacity) for the financial year ended June 30, 2023 are as set out below:

	2022/2023	2021/2022
	RS.	RS.
EXECUTIVE DIRECTOR		
M. Paul Eric Piat Corson	5,564,075	4,780,656
NON-EXECUTIVE DIRECTORS		
Raoul Joseph Paul Clarenc	271,700	247,000
Marie Joseph Georges Allain Doger de Speville (Passed away on September 17, 2022)	55,416	22,166
C. Philippe De Bragard Hardy (Resigned on December 31, 2022)	129,178	204,000
INDEPENDENT NON-EXECUTIVE DIRECTORS		
Jinny C. Chan Chang	220,000	200,000
Mushtaq Mohamed O. N. Oosman	256,300	233,000
Marie Joseph Nicolas Merven	108,444	-

Executive Director's Remuneration

The Executive Director is also remunerated for serving on the Board and its Committees.

Non-Executive/Independent Non-Executive Directors' Remuneration

Remuneration and benefits of Directors are given on page 5 of the Annual Report of the Company. The Non-Executive and Independent Non-Executive Directors have not received remuneration in form of share options or bonuses associated with the Company's performance.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Remuneration Philosophy

The Board has delegated to the Corporate Governance Committee the responsibility of determining the adequate remuneration to be paid to the Non-Executive Chairman of the Board, the Independent Non-Executive Directors and the Non-Executive Directors, the Executive Director and the Senior Management.

The Company's underlying philosophy is to set remuneration at an appropriate level to retain, motivate and attract high calibre personnel and Directors, and to reward them in accordance with their individual as well as collective contribution towards the achievement of the Company's objectives and performance, whilst taking into account current market conditions and/or other factors which may be determined from time to time.

Employee Share Option Plan

The Company does not have an employee share option scheme.

Related Party Transactions

For details on Related Party Transactions, please refer to Note 27 of the audited financial statements.

Board Evaluation and Development

During the year under review, the Corporate Governance Committee conducted an evaluation of the Board, the individual Directors and the Risk and Audit committee. The Company Secretary used the survey method to conduct the evaluation process. The significant results of these evaluations will be discussed at the board meeting scheduled for approval of the accounts for the year ended June 30, 2023 and appropriate actions will be taken where required.

The Directors forming part of the Board of the Company, especially those who are members of Board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

Directors' Ethics and Code of Conduct

The Board of Directors is mindful of the interest of other stakeholders such as suppliers, clients and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Company and its employees must, at all times, comply with all applicable laws and regulations. The Company will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Company does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Company's operations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Company's hierarchy.

The Company is committed to the highest standards of integrity and ethical conduct when dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

Information Policy

The Board keeps its IT expertise under review as the Company's IT strategy develops and ensures that IT investments support business objectives. The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

The Company has appointed a Data Protection Officer, inter alia, to ensure that the Company is up-to-date with data protection compliance, to provide advice and guidance to the organisation on interpretation and application of the data protection rules, to deal with data breach, to assist with data mapping, to assist in reviewing privacy & data protection policies, to provide support in terms of data protection and privacy knowledge, to be a point of contact between Data Protection Office, the organisation & data subject, to raise awareness on the new data protection laws and their obligations on a yearly basis.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively, with the aim of increasing shareholder value.

The Board has overall responsibility for the Company's systems of risk management and internal control and for reviewing their effectiveness. The Directors are responsible for maintaining an effective system of internal control and risk management. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

The responsibility for setting risk strategy remains with the Board but the responsibility for assessing and assuring the quality of the risk management process has been delegated to the Risk and Audit Committee. The Risk Assessment exercise carried out by the Internal Auditor has helped to identify and evaluate on an on-going basis, all areas of risks faced by the Company and the Risk and Audit committee has recommended the Board to adopt new procedures in all risky areas identified and the ways in which each of these key risks

will be managed. Risk management is an integral part of the Company's strategic management and is the mechanism through which risks associated with the Company's activities are addressed.

The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the installation of a culture of risk management throughout the Company.

Internal Audit

On the recommendation of the Risk and Audit Committee, the Board has appointed an Internal Auditor since December 2008, in view of providing independent, objective assurance and consulting activity designed to add value and to improve the organisation's operations. The Internal Auditor reports functionally to the Risk and Audit Committee and his objectives, authority, and responsibilities are elaborated in the approved Internal Audit Charter. The Internal Auditor has unrestricted access to all records, physical properties and personnel necessary to discharge its responsibilities.

The Internal Audit adopts a risk-based approach in formulating its audit plan and assesses the adequacy and effectiveness of controls for key processes to mitigate risks identified. During the year, the Internal Audit has reviewed the system of internal controls including the procurement process of the Company. Reports were submitted to the Risk and Audit Committee for review and follow-up on the implementation of recommended actions.

Internal Control and Risk Management

The Board of Directors has the ultimate responsibility for the adequacy and effectiveness of the overall internal control system. To discharge its role effectively, the Board has mandated the Risk and Audit Committee to review the effectiveness of the system of internal controls. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE

REPORT (CONT'D)

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

Internal Control and Risk Management (Cont'd)

Systems and processes have been implemented and are reviewed on an ongoing basis by the Internal Audit function. The Risk and Audit Committee considers significant control matters raised by the internal and external auditors and reports its findings to the Board. The Risk and Audit Committee reviews the risks' philosophy, strategy and policies recommended by management. Compliance with policies and procedures is constantly monitored. Where weaknesses are identified, the Risk and Audit Committee ensures that management takes appropriate action.

The Board has established and maintains an effective compliance monitoring plan, policies, procedures and controls, as may be appropriate and effective to review its obligations under the laws, the rules and regulations, having full regard to the risk complexity and diversity of its clients and services. The Board has effective responsibility for compliance with the rules, the law and any other rules made under the Law.

The Board ensures that there are effective and appropriate policies, procedures and controls in place which allow the Board to meet their obligations, with particular regard to the nature, size and complexity of the business and includes a requirement for sample testing of the policies and procedures to ensure that they are robust. When a review of compliance is discussed by the Board, at appropriate intervals, the necessary action is taken to remedy any identified deficiencies and to provide adequate resources to ensure that these are subject to regular monitoring and testing, as required.

Financial Risks

These are outlined in Note 21 of the audited financial statements.

Operational Risks

(a) Sourcing Risk:

Raw materials are subject to price fluctuations and to the risk of short supply. To mitigate these risks, the Company has an efficient procurement and pricing policy in place.

(b) Human Resources Risk:

The Company has projected an increase in manpower needs for the coming years. Given the high degree of interconnectedness between manpower and production efficiency, a lack of manpower could impact on the operating results. In that context, the Company has recruited a finance manager, a stock and cost controller, an assistant Human Resource manager and foreign workers to improve the manpower.

Whistle-blowing procedures

The Company adopted and approved a Whistleblowing policy and procedures on September 25, 2019.

Strategic and Compliance Risk

The Board is responsible for determining the Company's risk profile and policy, which are designed to achieve the Company's objectives, to assess and manage the Company's risks and to ensure that sound internal risk management and control systems are in place.

Together with the Board's management practices, the Company Secretary also ensures that the Company is compliant with the various prevailing regulations and laws.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Directors are responsible for preparing the audited financial statements of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable law and regulations.

The Company recognises the importance of being a responsible corporate citizen and operating in a socially responsible manner. In so doing, the Company takes into consideration the economic, environmental, ethical, social, and health factors affecting the communities in which it operates. The Company has taken all measures to reduce any negative social and environmental impact of its operations. Further, the Board is committed to ethical behaviour in all of its transactions.

The Company is committed to the general rules and regulations governing the health, safety and environmental issue. The Company is committed to minimising any adverse effect of its operations on the environment and on the health and safety of its employees and the community in which it operates.

The financial statements are prepared under International Financial Reporting Standards (IFRS) and comply with the requirements of the Mauritius Companies Act 2001 (as amended) and the Financial Reporting Act 2004. The corporate governance report is included in the audited financial statements.

The financial statements of the Company, for the year ended June 30, 2023, will be filed with the FSC and the Stock Exchange of Mauritius within the statutory deadline.

Policies & Practices – Social, Ethics, Safety, Health and Environment Issues & Human Resources

The Company ensures that its employment policy is fair and procedures adopted are transparent, merit based and in accordance to all legislations.

Furthermore, employees are unionised and collective agreements are under consideration and finalisation with the union.

Corporate Social Responsibility (CSR)

The Company has been actively involved in social welfare activities since its creation.

For the financial year June 30, 2023, the Company has made a CSR contribution of Rs. 21,000 (2022: Rs 121,000).

For the coming years, the Company is committed to continue meeting its social and community obligations.

Donations

The Company donated Rs. 297,608 during the year (2022: Rs. 267,800). The Company did not make any political donations during the year (2022: Nil).

Safety, Health and Working Environment

The Company complies with the Occupational Safety and Health Act 2005 and the health and safety framework is overseen by a part-time Safety & Health Officer with the collaboration of an Occupational Health Physician.

The Company reinforces its commitment to ensuring the highest level of safety and health for all its employees and is doing far beyond what is legally required to ensure that its employees are safe at work.

The Safety and Health Officer is involved in occupational risk assessment exercises which are carried out annually and the reports and action plans of which are submitted to Management.

Meetings are organised with the Occupational Health Physician of the Company and the employees to sensitise them on their work-life balance and on the importance of maintaining a healthy lifestyle.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 6: REPORTING WITH INTEGRITY (CONT'D)

Environment

The Company is committed to sustainable development and ensures that its operations are conducted in ways that minimise the impact on the environment and on society at large.

The Company also continually strives to improve its environmental standards and promote the efficient use of all its resources so as to minimise waste. The Company remains fully involved and active in the circular economy through various initiatives together with stakeholders and NGOs. Following its rebranding, the Company continues to highlight its commitment to sustainable development of the environment

Sustainability Reporting

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

Website

The Company has developed a website mainly for commercial and marketing purposes. In order not to slow down the access to the website, the Board is of the view that the following documents will not be uploaded on the company website. The Company's website will be updated to include a note that the documents office of the Company Secretary, being Level 3, Alexander House, 35 Cybercity, Ébène 72201, Mauritius.

- I. Constitution
- II. Board Charter
- III. Code of Conduct and Ethics
- IV. Corporate Governance charter
- V. Risk and audit charter
- VI. Results of annual general meeting

The quarterly unaudited financial statements for the period ended September 30, 2022, December 31, 2022 and March 31, 2023 have been filed with the FSC and released on the SEM website within 45 days from the closing date of each quarter.

There are no clauses of the Company's Constitution deemed material enough for separate disclosure.



CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 7: AUDIT

Deloitte has been appointed as the external auditor for the Company since 2019. The Risk and Audit Committee has satisfied itself that the external auditor is independent, experienced in the audit of companies in the same line of business and have the necessary resources to undertake audits of such companies.

A key factor that may impair auditor’s independence is a lack of control over non-audit services provided by the external auditors. For the financial year June 30, 2023, Deloitte has not provided any non-audit services to the Company (2022: Nil).

In essence, the external auditor’s independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditor;
- results in the auditor acting as a manager or employee of the Company;
- puts the auditor in the role of advocate for the Company; or
- creates a mutuality of interest between the auditor and the Company.

The Company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the Company;
- the Risk and Audit Committee ensures that the scope of the auditor’s work is sufficient and that the auditors are fairly remunerated; and
- the Risk and Audit Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor.

The Risk and Audit Committee approved the external auditor’s terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the Committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved.

Auditors Remuneration

The fees payable (exclusive of VAT) to the auditor of the Company for audit services are as follows:

	2023	2022
	MUR	MUR
Audit fee at 30 June	715,000	650,000

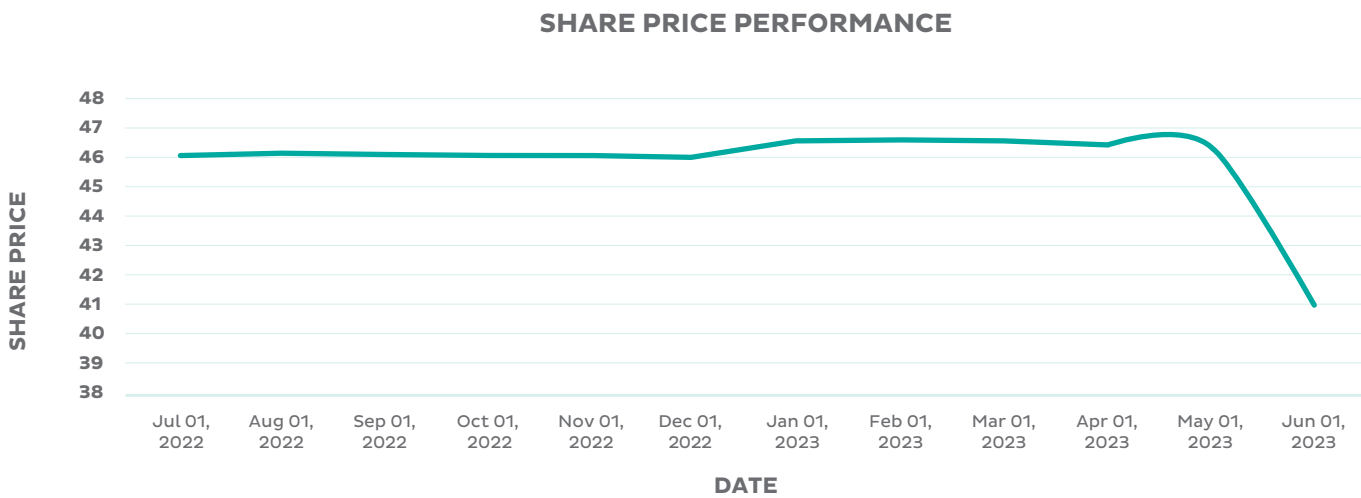
The external auditors have not provided any non-audit services to the Company for the year under review.

CORPORATE GOVERNANCE

REPORT (CONT'D)

PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

The Board of Directors places great importance on clear disclosure, open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company. The share price performance for the year ended June 30, 2023 is as follows:



Shareholders are strongly encouraged to attend the Company’s Annual Meeting, which provides an opportunity for the latters to raise and discuss matters with the Board relating to the Company’s performance and also to keep abreast of the overall strategy and goals. The Chairman and other Board members assist the Annual Meeting and invite Shareholders to put questions on different aspects of the Company’s activities and directions the business will take in the future.

The Company also makes regular filings with the Registrar of Companies and Financial Services Commission in Mauritius to ensure that the Company is up to date with its filings.

Timetable of Important Events

EVENTS	DATE
Financial Year End	June
Annual Meeting of Shareholders	December
PUBLICATION OF FINANCIAL STATEMENTS	DATE
First Quarter ended September 30	November
Second Quarter ended December 31	February
Third Quarter ended March 31	May
Audited Financial Statements	September
DIVIDENDS (SUBJECT TO APPROVAL BY THE BOARD)	DATE
Declaration	December and June
Payment	January and July

CORPORATE GOVERNANCE

REPORT (CONT'D)

STATEMENT OF COMPLIANCE

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

Name of the Public Interest Entity ("the PIE"): PIM Limited

Reporting Period: July 1, 2022 to June 30, 2023

We, the Directors of PIM Limited, confirm that to the best of our knowledge that the Company has complied with all of its obligations and requirements under the Code of Corporate Governance 2016.



RAOUL JOSEPH PAUL CLARENC

Chairman

Date: 21 September 2023



JINNY C. CHAN CHANG

Director

Date: 21 September 2023

SECRETARY'S CERTIFICATE

We 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 as required under Section 166(d) of the Mauritius Companies Act 2001.



INTERCONTINENTAL SECRETARIAL SERVICES LTD

Date: 21 September 2023



PIM
LIMITED



PIM
RECYCLING



PIM
LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PIM LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of PIM Limited (the “Company” and the “Public Interest Entity”) and its subsidiary (collectively referred to as the “Group”) set out on pages 9 to 65, which comprise the consolidated and separate statements of financial position as at June 30, 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company as at June 30, 2023, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

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

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 year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER RETIREMENT BENEFIT OBLIGATIONS	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>The Group and Company have recognised retirement benefit obligations of Rs 86,734,000 as at 30 June 2023.</p> <p>Management has applied judgement in determining the retirement benefit obligations and has involved an independent actuary to assist with the IAS 19 provisions and disclosures.</p> <p>Retirement benefit obligations are considered a key audit matter due to the significance of the balance in the consolidated and separate financial statements and the judgements associated with determining the appropriate actuarial assumptions.</p> <p>The significant assumptions used have been disclosed in Note 24.</p>	<p>We assessed the competence, capabilities and objectivity of management’s independent actuary.</p> <p>The procedures performed included the following:</p> <ul style="list-style-type: none">• we assessed and challenged the assumptions that management made in determining the present value of the liabilities.• we compared the assumptions used such as discount rate and annual salary increment with historical data; and• we verified the data sent to the actuary with the payroll report for completeness and accuracy.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PIM LIMITED (CONT'D)

Other information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Other Statutory Disclosures, Corporate Governance Report and Secretary's Certificate. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and they are also responsible for such internal control as the Directors determine is necessary to enable the preparation of 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PIM LIMITED (CONT'D)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Cont'd)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PIM LIMITED (CONT'D)

Auditor's responsibilities for the audit of the consolidated and separate financial statements (Cont'd)

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

Financial Reporting Act 2004

Corporate Governance Report

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

Use of this report

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



DELOITTE

Chartered Accountants

Date: 21 September 2023



VISHAL AGRAWAL, FCA

Licensed by FRC



FINANCIAL STATEMENT

GRATEFUL SALUTE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

	Notes	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	110,096,222	110,040,860	109,257,898
Intangible asset	26	336,450	336,450	448,600
Right-of-use assets	29	35,557,456	35,557,456	5,713,614
Investment in subsidiary	31	-	1,000,000	-
Deferred tax assets	7	4,186,567	4,186,567	5,430,369
		150,176,695	151,121,333	120,850,481
Current assets				
Inventories	4	78,777,409	78,230,631	74,713,037
Trade and other receivables	5	52,483,798	52,816,049	80,104,428
Current tax assets	8(c)	502,125	502,125	-
Cash and cash equivalents	18(b)	13,952,426	12,866,085	2,007,578
		145,715,758	144,414,890	156,825,043
Total assets		295,892,453	295,536,223	277,675,524
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	6	20,000,000	20,000,000	20,000,000
Retained earnings		111,833,043	111,668,931	106,669,099
Actuarial losses	23	(57,723,282)	(57,723,282)	(59,923,612)
Revaluation reserve	23	7,996,868	7,996,868	7,996,868
Total equity		82,106,629	81,942,517	74,742,355
Non-current liabilities				
Retirement benefit obligations	24	86,734,000	86,734,000	92,903,000
Borrowings	10	9,889,968	9,889,968	15,780,459
Lease liabilities	30	30,531,996	30,531,996	4,033,041
		127,155,964	127,155,964	112,716,500
Current liabilities				
Trade and other payables	25	41,299,792	41,107,674	44,679,937
Current tax liability	8(c)	-	-	2,043,965
Dividend	9	4,000,000	4,000,000	-
Lease liabilities	30	6,079,493	6,079,493	913,924
Borrowings	10	35,250,575	35,250,575	42,578,843
		86,629,860	86,437,742	90,216,669
Total liabilities		213,785,824	213,593,706	202,933,169
Total equity and liabilities		295,892,453	295,536,223	277,675,524

These financial statements have been approved for issue by the Board of Directors on: 21 September 2023



RAOUL JOSEPH PAUL CLARENC
Director



JINNY C. CHAN CHANG
Director

The notes on pages 41 to 80 form an integral part of these financial statements.
Auditor's report on pages 32 to 35

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED JUNE 30, 2023

	Notes	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
Sales	20	312,294,438	312,294,438	293,354,539
Cost of sales	13	(242,280,319)	(242,916,947)	(237,011,343)
Gross profit		70,014,119	69,377,491	56,343,196
Selling and distribution costs	13	(12,284,128)	(12,283,845)	(8,400,671)
Administrative expenses	13	(44,951,108)	(45,137,220)	(39,671,589)
Other income	14	2,947,486	3,605,831	3,667,434
Finance costs	15	(5,452,657)	(5,452,657)	(2,373,725)
Profit before taxation	11	10,273,712	10,109,600	9,564,645
Income tax credit/(expense)	8(a)	1,890,232	1,890,232	(1,524,847)
Profit for the year		12,163,944	11,999,832	8,039,798
Other comprehensive income/(loss):				
Items that will not be reclassified to profit or loss:				
Remeasurement of defined benefit obligations	24	2,651,000	2,651,000	(23,127,000)
Gain on revaluation of land and buildings	3	-	-	3,833,131
Income tax relating to components of other comprehensive income	7	(450,670)	(450,670)	3,534,957
Other comprehensive income/(loss) for the year		2,200,330	2,200,330	(15,758,912)
Total comprehensive income/(loss) for the year		14,364,274	14,200,162	(7,719,114)
Earnings per share (Rs./cents)	17	7.18		

The notes on pages 41 to 80 form an integral part of these financial statements.
Auditor's report on pages 32 to 35.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED JUNE 30, 2023

THE GROUP

	Note	Stated capital Rs.	Revaluation reserve Rs.	Actuarial losses Rs.	Retained earnings Rs.	Total Rs.
At July 1, 2022		20,000,000	7,996,868	(59,923,612)	106,669,099	74,742,355
Profit for the year		-	-	-	12,163,944	12,163,944
Other comprehensive income for the year		-	-	2,200,330	-	2,200,330
Total comprehensive income for the year		-	-	2,200,330	12,163,944	14,364,274
Dividends	9	-	-	-	(7,000,000)	(7,000,000)
		-	-	-	(7,000,000)	(7,000,000)
At June 30, 2023		20,000,000	7,996,868	(57,723,282)	111,833,043	82,106,629

THE COMPANY

	Note	Stated capital Rs.	Revaluation reserve Rs.	Actuarial losses Rs.	Retained earnings Rs.	Total Rs.
At July 1, 2022		20,000,000	7,996,868	(59,923,612)	106,669,099	74,742,355
Profit for the year		-	-	-	11,999,832	11,999,832
Other comprehensive income for the year		-	-	2,200,330	-	2,200,330
Total comprehensive income for the year		-	-	2,200,330	11,999,832	14,200,162
Adjustment		-	-	-	(7,000,000)	(7,000,000)
Dividends	9	-	-	-	(7,000,000)	(7,000,000)
At June 30, 2023		20,000,000	7,996,868	(57,723,282)	111,668,931	81,942,517
At July 1, 2021		20,000,000	4,560,370	(40,728,202)	105,629,301	89,461,469
Profit for the year		-	-	-	8,039,798	8,039,798
Other comprehensive income/(loss) for the year		-	3,436,498	(19,195,410)	-	(15,758,912)
Total comprehensive loss for the year		-	3,436,498	(19,195,410)	8,039,798	(7,719,114)
Dividends	9	-	-	-	(7,000,000)	(7,000,000)
		-	-	-	(7,000,000)	(7,000,000)
At June 30, 2022		20,000,000	7,996,868	(59,923,612)	106,669,099	74,742,355

The notes on pages 41 to 80 form an integral part of these financial statements.
Auditor's report on pages 32 to 35.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2023

Notes	THE GROUP	THE COMPANY	
	2023	2023	2022
	Rs.	Rs.	Rs.
Cash flows from operating activities			
Cash generated from operations	18(a) 50,442,472	50,299,831	18,975,911
Interest paid	(5,452,657)	(5,452,657)	(2,373,725)
Tax refund/(paid)	455,432	455,432	(1,258,586)
Net cash generated from operating activities	45,445,247	45,302,606	15,343,600
Cash flows from investing activities			
Purchase of Property, Plant and Equipment*	(12,702,948)	(12,646,648)	(21,979,287)
Purchase of intangible assets	-	-	(260,750)
Proceeds from disposal of motor vehicles	734,782	734,782	644,087
Investment in subsidiary	31 -	(1,000,000)	-
Net cash used in investing activities	(11,968,166)	(12,911,866)	(21,595,950)
Cash flow from financing activities			
Proceeds from borrowings	18(c) 7,500,000	7,500,000	9,500,000
Repayment on borrowings	18(c) (10,642,363)	(10,642,363)	(7,056,669)
Repayment of lease liabilities	(5,313,474)	(5,313,474)	(5,405,227)
Dividends paid to Company's shareholders	(3,000,000)	(3,000,000)	(7,000,000)
Net cash used in financing activities	(11,455,837)	(11,455,837)	(9,961,896)
Increase/(decrease) in cash and cash equivalents	22,021,244	20,934,903	(16,214,246)
Movement in cash and cash equivalents			
At July 1,	(32,376,714)	(32,376,714)	(16,162,468)
Increase/(decrease)	22,021,244	20,934,903	(16,214,246)
At June 30,	18(b) (10,355,470)	(11,441,811)	(32,376,714)

*Includes an amount of Rs.246,152 (2022: Rs.668,303) paid as deposit for motor vehicle included in Right-of-use assets (Note 29).

The notes on pages 41 to 80 form an integral part of these financial statements.
Auditor's report on pages 32 to 35.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

1. GENERAL INFORMATION

PIM Limited ("the Company") is a public limited company incorporated and domiciled in Mauritius. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

The Company is quoted on the official list of the Stock Exchange of Mauritius. The principal activities of the Group have been disclosed on page 5.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of PIM Limited comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements include the consolidated financial statements of the parent company and its subsidiary (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are prepared under historical cost convention except that land and buildings which are carried at revalued amount.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2.1 New and revised Standards that are effective but with no material effect on the financial statements

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

- IAS 16 Property, Plant and Equipment – Amendments prohibiting a company from deducting from the cost of Property, Plant and Equipment amounts received from selling items produced while the company is preparing the asset for its intended use.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous.
- IFRS 9 Financial Instruments – Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the ‘10 per cent’ test for derecognition of financial liabilities).

2.2.2 Relevant new and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

- IAS 1 Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies (effective January 1, 2023)
- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective January 1, 2024)
- IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants (effective January 1, 2024)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of accounting estimates (effective January 1, 2023)
- IAS 12 Income Taxes – Amendments regarding deferred tax on leases and decommissioning obligations (effective January 1, 2023).

The Directors anticipate that these Standards and Interpretation will be applied on their effective dates in future periods. The Directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

2.3 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupee, the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Mauritian Rupee, which is the Group’s and Company’s functional and presentation currency.

(b) Transactions and balances

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, Plant and Equipment

Land and buildings, held for use in the production or supply of goods or for administrative purposes, are stated at their fair value, based on periodic, but at least triennial valuations, by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to revalued amount of the asset. All other Property, Plant and Equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Any revaluation increase arising on the revaluation of land and buildings as credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for same asset previously recognised as an expense in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings charged as an expense to the extent that it exceeds the balance, if any held in the revaluation reserve relating to a previous revaluation of that asset.

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

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

Buildings	50 years
Improvement to Buildings	50 years
Plant and Machinery	10 years
Moulds and Accessories	10 years
Motor Vehicles	5 years
Furniture, Fittings and Office Equipment	5 years

Land is not depreciated.

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

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

Gains and losses on disposals of Property, Plant and Equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

Derecognition of Property, Plant and Equipment

An asset is removed from the statements of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and should be recognised in profit and loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work in progress comprises of raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.7 Current and deferred income tax

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

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

2.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Retirement benefit obligations

(a) *Defined benefit plans*

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income shall not be reclassified to profit or loss in subsequent period.

The Group determines the net interest expenses/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

(b) *Defined contribution plans*

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group operates a defined contribution retirement benefit plan for all qualifying employees (and their dependents). Payments to deferred contribution retirement plans are charged as an expense as they fall due.

(c) *Gratuity on retirement*

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments

Financial assets and liabilities are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value.

Financial assets

(i) *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrecoverable election/designation at initial recognition of a financial asset:

- the Group may irrecoverably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrecoverably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

All recognised financial assets are measured subsequently at amortised cost.

(ii) *Amortised cost and effective interest method*

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

For financial assets other than purchased or originated credit-impaired financial assets (i.e., assets that are credit-impaired on initial recognition), the effective rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums, or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

Financial assets (Cont'd)

(ii) *Amortised cost and effective interest method (Cont'd)*

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

(iii) *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(iv) *Definition of default*

The Group considers a financial asset in default when contractual payments are 365 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.

(v) *Write-off policy*

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made are recognised in profit or loss.

(vi) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, government bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

Financial assets (Cont'd)

(vi) *Significant increase in credit risk (Cont'd)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrecoverable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(vii) *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

Financial assets (Cont'd)

(vii) *Measurement and recognition of expected credit losses (Cont'd)*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all cash flows that the Group expects to receive, discounted at the original interest rate.

(viii) *Derecognition of financial assets*

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

(i) *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group and the Company, are measured in accordance with the specific accounting policies set out below.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Financial instruments (Cont'd)

Financial liabilities (Cont'd)

(ii) *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(iii) *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.11 Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost.

2.12 Stated capital

Ordinary shares are classified as equity. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.13 Leases

The Group as lessee

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases (Cont'd)

The Group as lessee (Cont'd)

The lease liability is presented as "lease liability" line in the statements of financial position.

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

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

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

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

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

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

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

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

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

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has applied this practical expedient.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Revenue recognition

Revenue is recognised when control of the products has been transferred, being when the products are delivered and accepted by the customers i.e., at a point in time. The customers have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products.

For exports, revenue is recognised when control of the goods has been transferred to the customers. In majority of the cases, this condition is met when the goods are loaded on the ship and customer receives the bill of lading (delivery). In some cases, revenue is recognised when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has primary responsibility when onselling the goods and bears all the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Group at the delivery point as this represents the point in time at which the right to consideration becomes unconditional, as only passage of time is required before payment is due.

Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.16 Cash and cash equivalents

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.17 Dividend distribution

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

2.18 Investment in subsidiary

Separate financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Investment in subsidiary (Cont'd)

Consolidated financial statements

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss as a bargain purchase gain.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. The subsidiaries have consistently applied all the policies adopted by the Group.

Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.19 Related Parties

Parties are considered to be related to the Group if they have the ability directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or where the Group is subject to common significant influence. Related Parties may be individual or other entities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

3. PROPERTY, PLANT AND EQUIPMENT

(a) THE GROUP

	Land Rs.	Buildings Rs.	Improvement to Buildings Rs.	Plant and Machinery Rs.	Moulds and Accessories Rs.	Motor Vehicles Rs.	Furniture, Fittings and Office Equipment Rs.	Work in progress Rs.	Total Rs.
COSTOR REVALUATION									
At July 1, 2022	12,900,000	26,300,000	13,259,372	110,654,999	64,651,180	10,136,747	16,410,075	3,544,794	257,857,167
Additions	-	-	3,484,035	4,831,833	2,443,971	-	1,696,957	-	12,456,796
Transfer from right-of-use assets	-	-	-	-	-	1,545,000	-	-	1,545,000
Transfer from work in progress	-	-	3,544,794	-	-	-	-	(3,544,794)	-
Disposals	-	-	-	-	-	(2,594,999)	-	-	(2,594,999)
At June 30, 2023	12,900,000	26,300,000	20,288,201	115,486,832	67,095,151	9,086,748	18,107,032	-	269,263,964

DEPRECIATION AND IMPAIRMENT

At July 1, 2022	-	-	1,309,442	78,488,528	45,929,724	9,139,095	13,732,480	-	148,599,269
Charge for the year	-	526,000	377,633	6,182,992	3,404,085	249,413	878,349	-	11,618,472
Transfer from right-of-use assets	-	-	-	-	-	1,545,000	-	-	1,545,000
Disposals	-	-	-	-	-	(2,594,999)	-	-	(2,594,999)
At June 30, 2023	-	526,000	1,687,075	84,671,520	49,333,809	8,338,509	14,610,829	-	159,167,742

NET BOOK VALUE

At June 30, 2023	12,900,000	25,774,000	18,601,126	30,815,312	17,761,342	748,239	3,496,203	-	110,096,222
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(b) THE COMPANY

At July 1, 2022	12,900,000	26,300,000	13,259,372	110,654,999	64,651,180	10,136,747	16,410,075	3,544,794	257,857,167
Additions	-	-	3,484,035	4,831,833	2,443,971	-	1,640,657	-	12,400,496
Transfer from right-of-use assets	-	-	-	-	-	1,545,000	-	-	1,545,000
Transfer from work in progress	-	-	3,544,794	-	-	-	-	(3,544,794)	-
Disposals	-	-	-	-	-	(2,594,999)	-	-	(2,594,999)
At June 30, 2023	12,900,000	26,300,000	20,288,201	115,486,832	67,095,151	9,086,748	18,050,732	-	269,207,664

DEPRECIATION AND IMPAIRMENT

At July 1, 2022	-	-	1,309,442	78,488,528	45,929,724	9,139,095	13,732,480	-	148,599,269
Charge for the year	-	526,000	377,633	6,182,992	3,404,085	249,413	877,411	-	11,617,534
Transfer from right-of-use assets	-	-	-	-	-	1,545,000	-	-	1,545,000
Disposals	-	-	-	-	-	(2,594,999)	-	-	(2,594,999)
At June 30, 2023	-	526,000	1,687,075	84,671,520	49,333,809	8,338,509	14,609,891	-	159,166,804

NET BOOK VALUE

At June 30, 2023	12,900,000	25,774,000	18,601,126	30,815,312	17,761,342	748,239	3,440,841	-	110,040,860
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

(C) THE COMPANY

	Land	Buildings	Improvement to Buildings	Plant and Machinery	Moulds and Accessories	Motor Vehicles	Furniture, Fittings and Office Equipment	Work in progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
COST OR REVALUATION									
At July 1, 2021	11,400,000	25,626,346	11,547,353	102,470,581	58,534,725	10,229,897	14,656,777	-	234,465,679
Additions	-	-	1,712,019	8,184,418	6,116,455	-	1,753,298	3,544,794	21,310,984
Transfer from right-of-use assets	-	-	-	-	-	2,090,000	-	-	2,090,000
Disposals	-	-	-	-	-	(2,183,150)	-	-	(2,183,150)
Revaluation adjustment	1,500,000	673,654	-	-	-	-	-	-	2,173,654
At June 30, 2022	12,900,000	26,300,000	13,259,372	110,654,999	64,651,180	10,136,747	16,410,075	3,544,794	257,857,167
DEPRECIATION AND IMPAIRMENT									
At July 1, 2021	-	1,000,424	1,078,495	72,460,618	42,990,978	8,863,117	12,368,129	-	138,761,761
Charge for the year	-	659,053	230,947	6,027,910	2,938,746	321,000	1,364,351	-	11,542,007
Transfer from right-of-use assets	-	-	-	-	-	2,090,000	-	-	2,090,000
Disposals	-	-	-	-	-	(2,135,022)	-	-	(2,135,022)
Revaluation adjustment	-	(1,659,477)	-	-	-	-	-	-	(1,659,477)
At June 30, 2022	-	-	1,309,442	78,488,528	45,929,724	9,139,095	13,732,480	-	148,599,269
NET BOOK VALUE									
At June 30, 2022	12,900,000	26,300,000	11,949,930	32,166,471	18,721,456	997,652	2,677,595	3,544,794	109,257,898

(d) Bank borrowings are secured by floating charges on the assets of the Company including Property, Plant and Equipment (note 10).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

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

- (e) The Company's land and buildings were revalued at June 30, 2022 by Broll Indian Ocean Limited. The basis of valuation of land was arrived at by comparing the value of other land in the neighbourhood giving due consideration to their respective location, shape, extent, development and potential. The values of buildings were arrived at by taking into consideration their depreciated replacement cost after making allowance for their age, standard and state of repair. The significant input used in valuation of land pertains to recent sale price per acre taking into account the differences in location and individual factor such as shape and size between the comparables and the land. The significant reasonable input used in the valuation of buildings pertain to price per square feet. A significant increase in the price per square feet used would result into a significant increase in the value, vice versa. The revaluation surplus net of applicable deferred income taxes was credited to revaluation reserve in shareholders' equity (note 23).

Details of the Company's land and buildings measured at fair value and information about the fair value hierarchy are as follows:

	Level 3 Rs.
June 30,	
Land	12,900,000
Buildings	25,774,000
Total	38,674,000

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

	2023 Rs.	2022 Rs.
Cost	39,648,807	39,648,807
Accumulated depreciation	(5,935,512)	(5,142,536)
Net book value	33,713,295	34,506,271

4. INVENTORIES

	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
(a) Raw materials	48,585,061	48,038,283	53,027,564
Finished goods	12,065,450	12,065,450	10,939,041
Goods in transit	18,126,898	18,126,898	10,746,432
	78,777,409	78,230,631	74,713,037

- (b) The cost of inventories recognised as expense and included in cost of sales amounted to Rs.240,882,110 for the Group and Rs.241,518,738 (2022: Rs.236,307,545) for the Company.
- (c) Bank borrowings are secured by floating charges on the assets of the Company including inventories (note 10).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

5. TRADE AND OTHER RECEIVABLES

	THE GROUP	THE COMPANY	
	2023	2023	2022
	Rs.	Rs.	Rs.
Trade receivables	37,399,066	37,396,366	72,847,864
Loss allowance	(367,360)	(367,360)	(489,295)
Trade receivables, net of allowance	37,031,706	37,029,006	72,358,569
Other receivables	15,452,092	15,787,043	7,745,859
	52,483,798	52,816,049	80,104,428

The average credit period on sales of goods is 30 days. No interest is charged on the trade receivables and allowance is determined by the Company's management on debtors' balances due within one year and on specific debtors' balances due more than one year, which is determined on a case by case basis.

Before accepting a new customer, the credit control department assesses the credit quality of the customer and defines the terms and credit limits accordingly.

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

The Directors of the Group and the subsidiary have assessed for any provision for loss allowance to be recognised. Based on an assessment no provision was required for the subsidiary.

The Group and the Company measure the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

5. TRADE AND OTHER RECEIVABLES (CONT'D)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables.

THE COMPANY

	Collectively assessed Rs.
Balance at July 1, 2022	489,295
Amount written off	(121,935)
Balance at June 30, 2023	367,360
Balance at July 1, 2021	744,500
Increase in loss allowance recognised in profit or loss during the year	313,607
Amount written off	(568,812)
Balance at June 30, 2022	489,295

The following tables detail the risk profile of trade receivables based on the Company's provision matrix at June 30, 2023 and 2022. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

2023	Not past due	Trade receivables - past due				Total
		<30 days	31-60 days	61-90 days	>90 days	
Expected credit loss rate	0.31%	0.58%	0.900%	20.96%	74.97%	
Estimated total gross carrying amount at default	23,726,994	11,228,098	2,156,274	8,105	276,895	37,396,366
Lifetime ECL (Rs)	73,554	65,123	19,406	1,699	207,578	367,360
2022	Not past due	Trade receivables - past due				Total
		<30 days	31-60 days	61-90 days	>90 days	
Expected credit loss rate	0.58%	0.68%	0.72%	0.77%	0.84%	
Estimated total gross carrying amount at default	29,786,704	18,113,209	8,506,274	8,649,454	7,792,223	72,847,864
Lifetime ECL (Rs)	173,195	122,923	60,885	66,817	65,474	489,295

The carrying amounts of the Group's and the Company's trade and other receivables are denominated in the following currencies:

	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.		2022 Rs.
Mauritian Rupee	52,011,025	52,343,276		74,600,983
EURO	840,133	840,133		4,600,534
USD	-	-		1,392,206
	52,851,158	53,183,409		80,593,723

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

6. STATED CAPITAL

Authorised, issued and fully paid

2,000,000 ordinary shares of Rs.10 each

THE GROUP AND THE COMPANY

2023 & 2022

Rs.

20,000,000

The holders of the fully paid ordinary shares are entitled to one voting right per share, carry a right to dividends but no right to fixed income.

The total number of ordinary shares issued is 2,000,000 (2022: 2,000,000) with a par value of Rs.10 per share (2022: Rs.10 per share).

7. DEFERRED TAXES

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

- (a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets and liabilities when the deferred taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statements of financial position.

THE GROUP AND THE COMPANY

2023

2022

Rs.

Rs.

Deferred tax assets

(14,744,779)

(15,793,509)

Deferred tax liabilities

10,558,212

10,363,140

(4,186,567)

(5,430,369)

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

2023

2022

Rs.

Rs.

At July 1,

(5,430,369)

(994,069)

Charge/(credit) to statements of profit or loss (note 8)

793,132

(901,343)

Charge/(credit) to statement other comprehensive income

450,670

(3,534,957)

At June 30,

(4,186,567)

(5,430,369)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

7. DEFERRED TAXES (CONT'D)

- (c) Deferred tax assets and liabilities, deferred tax charge/(credit) in the statements of profit or loss and other comprehensive income are attributable to the following items:

	Retirement benefit obligations Rs.	Accelerated tax depreciation Rs.	Revaluation on buildings Rs.	Total Rs.
At July 1, 2021	10,521,979	(9,527,910)	-	994,069
Credit to statement of profit or loss	1,339,940	(438,597)	-	901,343
Credit to statement of other comprehensive income	3,931,590	-	(396,633)	3,534,957
At June 30, 2022	15,793,509	(9,966,507)	(396,633)	5,430,369
Charge to statement of profit or loss	(598,060)	(195,072)	-	(793,132)
Charge to statement of other comprehensive income	(450,670)	-	-	(450,670)
At June 30, 2023	14,744,779	(10,161,579)	(396,633)	4,186,567

8. INCOME TAX

	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
(a) Current tax on the adjusted profit for the year at 17% (2022: 17%)	1,110,079	1,110,079	2,047,292
CSR contribution	158,175	158,175	288,335
Deferred tax (note 7)	793,132	793,132	(901,343)
Investment tax credit	(3,540,809)	(3,540,809)	-
Tax refund not provisioned in previous year	(455,432)	(455,432)	-
Under provision	44,623	44,623	90,563
Income tax (credit)/expense	(1,890,232)	(1,890,232)	1,524,847

The investment tax credit includes credit claimed for years ended 2023, 2022 and 2021 amounting to Rs.1,110,079, Rs.2,088,558 and Rs.342,172 respectively.

- (b) The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
Profit before taxation	10,273,712	10,109,600	9,564,645
Tax calculated at a rate of 17% (2022: 17%)	1,746,531	1,718,632	1,625,989
Effect of tax on:			
Expenses not deductible for tax purposes	392,138	392,138	187,462
Income not subject to tax	(469,260)	(441,361)	(219,333)
Under provision	44,623	44,623	90,563
Investment tax credit	(3,540,809)	(3,540,809)	-
Effect of tax rate differential	(63,455)	(63,455)	(159,834)
	(1,890,232)	(1,890,232)	1,524,847

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

8. INCOME TAX (CONT'D)

(c) Movement in current tax (asset)/liability

At July 1,
Charge for the year
Under provision
Investment tax credit
Tax paid under Advance payment system
Tax deducted at source
Tax paid
At June 30,

THE GROUP	THE COMPANY	
2023	2023	2022
Rs.	Rs.	Rs.
2,043,965	2,043,965	876,361
1,268,254	1,268,254	2,335,627
44,623	44,623	90,563
(3,540,809)	(3,540,809)	-
-	-	(291,662)
(318,158)	(318,158)	-
-	-	(966,924)
(502,125)	(502,125)	2,043,965

9. DIVIDENDS

Amount recognised as distributions to equity holders during the year:
Dividend of Rs.1.50 (2022: Rs.1.50) per share paid during the year
and Rs.2.00 (2022: Rs.2.00) per share unpaid at year end.

THE COMPANY	
2023	2022
Rs.	Rs.
7,000,000	7,000,000

10. BORROWINGS

Non-Current

Bank loans

Current

Bank overdraft

Bank loans

Total borrowings

THE GROUP AND THE COMPANY	
2023	2022
Rs.	Rs.
9,889,968	15,780,459
9,889,968	15,780,459
24,307,896	34,384,292
10,942,679	8,194,551
35,250,575	42,578,843
45,140,543	58,359,302

(a) The maturity of non-current bank loans is as follows:

After one year and before two years
After two years and before three years
After three years

2023	2022
Rs.	Rs.
6,309,875	7,737,008
2,941,368	4,993,733
638,725	3,049,718
9,889,968	15,780,459

(b) The borrowings include secured liabilities which comprise of bank loans amounting to Rs.20,832,647 (2022: Rs.23,975,010). The bank borrowings are secured by floating charges on the assets of the Company including inventories and Property, Plant and Equipment (notes 3 and 4). The rate of interest on the loans is 6.75% (2022: 4.50%).

(c) The effective interest rate at the end of the reporting period on bank overdraft was 6.75% (2022: 4.50%).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

11. PROFIT BEFORE TAXATION

crediting:

Profit on disposal of motor vehicles

charging:

Depreciation on Property, Plant and Equipment (note 3)

Depreciation on right-of-use assets (note 29)

Employee benefit expenses (see note 12)

THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
734,782	734,782	595,959
11,618,472	11,617,534	11,542,007
7,380,308	7,380,308	5,241,843
82,031,654	82,031,654	73,911,652

12. EMPLOYEE BENEFIT EXPENSES

Wages and salaries

Other staff cost

Pension costs – defined contribution plan

Pension costs – defined benefit plan (see note 24(a)(v))

Other post-retirement benefits (note 24(b)(iv))

THE GROUP AND THE COMPANY 2023 Rs.	2022 Rs.
60,776,251	58,717,112
8,157,023	6,612,540
2,816,380	700,000
9,758,000	7,603,000
524,000	279,000
82,031,654	73,911,652

13. EXPENSES BY NATURE

Depreciation on Property, Plant and Equipment (note 3)

Depreciation on right-of-use assets (note 29)

Amortisation of intangible asset (note 26)

Employee benefit expenses (note 12)

Changes in inventories of finished goods

Purchases of finished goods

Raw materials and consumables used

Distribution costs

Net foreign exchange losses (note 16)

Loss allowance

Rent

Motor vehicle running expenses

Utilities

Insurance

Freight

Management fees

Other expenses

Total cost of sales, selling & distribution and administrative expenses

THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
11,618,472	11,617,534	11,542,007
7,380,308	7,380,308	5,241,843
112,150	112,150	112,150
82,031,654	82,031,654	73,911,652
(1,126,409)	(1,126,409)	(703,798)
19,800,086	19,800,086	21,206,639
131,450,139	131,759,922	125,761,632
12,283,845	12,283,845	8,400,671
-	-	199,026
-	-	313,607
2,818,480	2,818,480	2,599,205
3,033,578	3,033,578	2,634,639
11,103,647	10,982,499	11,576,906
2,170,244	2,170,244	1,400,241
2,151,225	2,151,225	6,048,660
359,500	359,500	431,420
14,328,636	14,963,396	14,407,103
299,515,555	300,338,012	285,083,603

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

14. OTHER INCOME

Sundry income
Profit on disposal of motor vehicles
Management fee income
Net foreign exchange gain (note 16)

THE GROUP 2023 Rs.	THE COMPANY	
	2023 Rs.	2022 Rs.
1,499,545	2,063,988	3,071,475
734,782	734,782	595,959
-	93,902	-
713,159	713,159	-
2,947,486	3,605,831	3,667,434

15. FINANCE COSTS

Interest on bank loans
Interest on import loans
Interest on bank overdraft
Interest on lease

THE GROUP 2023 Rs.	THE COMPANY	
	2023 Rs.	2022 Rs.
1,236,648	1,236,648	844,943
923,503	923,503	533,397
958,894	958,894	914,713
2,333,612	2,333,612	80,672
5,452,657	5,452,657	2,373,725

16. NET FOREIGN EXCHANGE (GAIN)/LOSSES

The exchange differences (credited)/debited to profit or loss

THE GROUP AND THE COMPANY	
2023 Rs.	2022 Rs.
(713,159)	199,026

17. EARNINGS PER SHARE

THE GROUP

Profit attributable to equity holders of the Company from continuing operations

Number of ordinary shares in issue

Earnings per share

2023	
Rs.	14,364,274
	2,000,000
	7.18

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash generated from operations

Reconciliation of profit before taxation to cash generated from operations:

Profit before taxation

Adjustments for:

Depreciation on Property, Plant and Equipment

Depreciation on right-of-use-assets

Amortisation of intangible asset

Profit on disposal of motor vehicles

Increase in loss allowance

Interest expense

Retirement benefit obligations

Changes in working capital:

- inventories

- trade and other receivables

- trade and other payables

Cash generated from operations

THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
10,273,712	10,109,600	9,564,645
11,618,472	11,617,534	11,542,007
7,380,308	7,380,308	5,241,843
112,150	112,150	112,150
(734,782)	(734,782)	(595,959)
-	-	313,607
5,452,657	5,452,657	2,373,725
(3,518,000)	(3,518,000)	7,882,000
(4,064,372)	(3,517,594)	(19,628,107)
27,302,472	26,970,221	2,511,817
(3,380,145)	(3,572,263)	(341,817)
50,442,472	50,299,831	18,975,911

(b) Cash and cash equivalents

Cash in hand and at bank

Bank overdraft (note 10)

2023 Rs.	2023 Rs.	2022 Rs.
13,952,426	12,866,085	2,007,578
(24,307,896)	(24,307,896)	(34,384,292)
(10,355,470)	(11,441,811)	(32,376,714)

(c) Reconciliation of liabilities arising from financing activities

	2022 Rs.	Addition Rs.	Cash outflows Rs.	2023 Rs.
Bank loans	23,975,010	7,500,000	(10,642,363)	20,832,647
Lease liabilities	4,946,965	36,977,998	(5,313,474)	36,611,489
Total liabilities from financing activities	28,921,975	44,477,998	(15,955,837)	57,444,136

	2021 Rs.	Addition Rs.	Lease remeasurement Rs.	Cash outflows Rs.	2022 Rs.
Bank loans	21,531,679	9,500,000	-	(7,056,669)	23,975,010
Lease liabilities	961,442	5,133,471	4,257,279	(5,405,227)	4,946,965
Total liabilities from financing activities	22,493,121	14,633,471	4,257,279	(12,461,896)	28,921,975

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

19. CONTINGENT LIABILITIES

At June 30, 2023, the Company had contingent liabilities in respect of bank guarantees of Rs.1,516,250 (2022: Rs.420,000) arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

20. SALES ANALYSIS

Sales may be analysed as follows:

Industrial products

Household consumables

Sales may be further analysed as follows:

Local sales

Export sales

Timing of revenue recognition

At a point in time

THE GROUP AND THE COMPANY	
2023	2022
Rs.	Rs.
298,620,526	280,579,795
13,673,912	12,774,744
312,294,438	293,354,539
286,931,441	274,448,308
25,362,997	18,906,231
312,294,438	293,354,539
312,294,438	293,354,539

21. FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks.

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

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

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk are primarily attributable to trade receivables, other receivables and cash and cash equivalents. The carrying amount of trade receivables presented in the statement of financial position are net of loss allowances, estimated by management as disclosed in Note 5 and represents the Group's maximum exposure to credit risk. The other receivables are assessed to have credit risk other than low and are recoverable within 12 months. Bank balance is assessed to have low credit risk at reporting date since it is held with a reputable banking institution. The identified impairment loss on these balances was immaterial.

The carrying amounts of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

21. FINANCIAL RISK FACTORS (CONT'D)

Categories of financial instruments

Financial assets

At amortised cost

Trade and other receivables
Cash and bank balances

Financial liabilities

At amortised cost

Trade and other payables
Borrowings and leases
Bank overdraft
Dividend payable

THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
51,887,132	52,219,383	79,907,378
13,952,426	12,866,085	2,007,578
65,839,558	65,085,468	81,914,956
40,042,529	39,850,411	41,704,720
57,444,136	57,444,136	28,921,975
24,307,896	24,307,896	34,384,292
4,000,000	4,000,000	-
125,794,561	125,602,443	105,010,987

Foreign currency risk management

The Group is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of the Group's financial assets and financial liabilities. The Group's dealings in foreign currency purchases is managed by seeking the best rates.

Currency profile

The currency profile of the Company's financial assets and financial liabilities are summarised as follows:

THE GROUP

Euro
Rs.
USD

2023	2022
Assets Rs.	Liabilities Rs.
840,133	918,491
60,793,181	104,902,364
4,206,244	19,973,706
65,839,558	125,794,561

THE COMPANY

Euro
Rs.
USD

2023	2022
Assets Rs.	Liabilities Rs.
840,133	918,491
60,039,091	104,710,246
4,206,244	19,973,706
65,085,468	125,602,443
5,629,943	-
73,914,638	79,379,427
2,370,375	25,631,560
81,914,956	105,010,987

Currency risk

At June 30, 2023, if the Rupee had weakened/strengthened by 5% against the US Dollar/Euro with all other variables held constant, post tax profit for the year would have been Rs.657,602 (2022: Rs.731,696) higher/lower, mainly as a result of foreign exchange gains/(losses) on translation of US Dollar/Euro denominated trade receivables and trade payables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

21. FINANCIAL RISK FACTORS (CONT'D)

Concentration risk

Of the trade receivables balance at the end of the year, Rs.7.6 million (11.5%) (2022: Rs.12.3 million (14.6%)) is due from the Company's largest customer. The Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to the Company's largest customer did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Interest rate risk

The Group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The risk is managed by maintaining an appropriate mix between fixed and floating interest charges on borrowings.

Cash flow and fair value interest risk

The Group borrows at variable rates. In respect of the latter, it is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The sensitivity analysis below have been determined based on the exposure to interest rates for the non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At June 30, 2023, if interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, post tax profit for the year would have been Rs.88,539 (2022: Rs.101,894) higher/lower.

Liquidity risk

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

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group aims at maintaining flexibility in funding by keeping committed credit lines available.

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

THE GROUP

At June 30, 2023

	Less than 1 year Rs.	Between 1 and 2 years Rs.	Between 2 and 5 years Rs.	Total Rs.
Borrowings	35,250,575	6,309,875	3,580,093	45,140,543
Lease liabilities	6,079,493	11,841,753	23,563,027	41,484,273
Trade and other payables	40,042,529	-	-	40,042,529
Dividend payable	4,000,000	-	-	4,000,000
	85,372,597	18,151,628	27,143,120	130,667,345

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

21. FINANCIAL RISK FACTORS (CONT'D)

Liquidity risk (Cont'd)

THE COMPANY

At June 30, 2023

Borrowings
Lease liabilities
Trade and other payables
Dividend payable

Less than 1 year Rs.	Between 1 and 2 years Rs.	Between 2 and 5 years Rs.	Total Rs.
35,250,575	6,309,875	3,580,093	45,140,543
6,079,493	11,841,753	23,563,027	41,484,273
39,850,411	-	-	39,850,411
4,000,000	-	-	4,000,000
85,180,479	18,151,628	27,143,120	130,475,227

THE COMPANY

At June 30, 2022

Borrowings
Lease liabilities
Trade and other payables

Less than 1 year Rs.	Between 1 and 2 years Rs.	Between 2 and 5 years Rs.	Total Rs.
42,578,843	7,737,008	8,043,451	58,359,302
913,924	1,392,050	2,640,991	4,946,965
41,704,720	-	-	41,704,720
85,197,487	9,129,058	10,684,442	105,010,987

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Consistent with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt to adjusted capital. Net debt is calculated as the total debt (as shown in the statement of financial position) less cash and cash equivalents.

Adjusted capital comprises all components of equity (i.e., stated capital, retained earnings, actuarial losses and revaluation reserve).

The debt-to-capital ratio at June 30, 2023 and 2022 were as follows:

	THE GROUP 2023 Rs.	THE COMPANY 2023 Rs.	2022 Rs.
Debts (notes 10 and 30)	81,752,032	81,752,032	63,306,267
Less: cash in hand and at bank (note 18(b))	(13,952,426)	(12,866,085)	(2,007,578)
Net debt	67,799,606	68,885,947	61,298,689
Total equity	82,106,629	81,942,517	74,742,355
Debt-to-capital-ratio	0.83	0.84	0.82

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

22. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

Pension benefits

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

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

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

Depreciation policies

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

Asset lives and residual values

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

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

Revaluation of land and buildings

The Group measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. The Company engaged independent valuation specialists to determine fair value. The valuer used a valuation technique approach based on market approach and depreciated replacement cost approach to determine the market values of land and buildings respectively. The key assumptions used to determine the fair value of the land and buildings are further explained in note 3(e).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

23. REVALUATION RESERVES

Actuarial losses (note (a))
Revaluation reserve (note (b))

2023	2022
Rs.	Rs.
(57,723,282)	(59,923,612)
7,996,868	7,996,868
(49,726,414)	(51,926,744)

(a) Actuarial losses

At July 1,
Other comprehensive income/(loss) for the year
At June 30,

2023	2022
Rs.	Rs.
(59,923,612)	(40,728,202)
2,200,330	(19,195,410)
(57,723,282)	(59,923,612)

(b) Revaluation reserve

At July 1,
Other comprehensive income for the year
At June 30,

2023	2022
Rs.	Rs.
7,996,868	4,560,370
-	3,436,498
7,996,868	7,996,868

Actuarial losses

Actuarial losses relates to remeasurement of the net defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur.

Revaluation reserve

Revaluation reserve relates to the revaluation of land and buildings.

24. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognised in the statement of financial position:

- Defined pension benefits (note (a)(ii))
- Other post-retirement benefits (note (b)(ii))

THE GROUP AND THE COMPANY	
2023	2022
Rs.	Rs.
85,538,000	91,608,000
1,196,000	1,295,000
86,734,000	92,903,000

Analysed as follows:
Non-current liabilities

86,734,000	92,903,000
------------	------------

Amounts charged to profit or loss:

- Defined pension benefits (note (a)(v))
- Other post-retirement benefits (note (b)(iv))

9,758,000	7,603,000
524,000	279,000
10,282,000	7,882,000

Amount charged/(credited) to other comprehensive income:

- Defined pension benefits (note (a)(vi))
- Other post-retirement benefits (note (b)(v))

(2,028,000)	23,214,000
(623,000)	(87,000)
(2,651,000)	23,127,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits

- (i) The Company operates a defined benefit pension plan. The plan is a final salary plan, which provides benefits to members in the form of a guaranteed level of pension payable for life.

The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuary.

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

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

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

	2023 Rs.	2022 Rs.
Present value of funded obligations	86,585,000	102,518,000
Fair value of plan assets	(1,047,000)	(10,910,000)
Liability in the statement of financial position	85,538,000	91,608,000

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

	2023 Rs.	2022 Rs.
At July 1,	91,608,000	60,791,000
Charged to profit or loss	9,758,000	7,603,000
(Credited)/charged to other comprehensive income	(2,028,000)	23,214,000
Contributions paid	(13,800,000)	-
Balance at June 30,	85,538,000	91,608,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

At July 1,
Current service cost
Interest expense
Remeasurements:
- financial assumptions
- experience adjustment
Benefits paid
At June 30,

2023 Rs.	2022 Rs.
102,518,000	98,422,000
6,282,000	5,354,000
3,713,000	3,226,000
(12,871,000)	18,631,000
11,090,000	4,722,000
(24,147,000)	(27,837,000)
86,585,000	102,518,000

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

At July 1,
Interest income
Remeasurements:
- Return on plan assets, excluding amounts included in interest income
Contributions by the employer
Benefits paid
At June 30,

2023 Rs.	2022 Rs.
10,910,000	37,631,000
237,000	977,000
247,000	139,000
13,800,000	-
(24,147,000)	(27,837,000)
1,047,000	10,910,000

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

Current service cost
Interest expense
Total included in employee benefit expense (note 12)

2023 Rs.	2022 Rs.
6,282,000	5,354,000
3,476,000	2,249,000
9,758,000	7,603,000

Total included in employee benefit expense can be analysed as follows:

Included in:
- Cost of sales
- Administrative expenses

2023 Rs.	2022 Rs.
6,537,958	5,094,086
3,220,042	2,508,914
9,758,000	7,603,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

Remeasurement on the net defined benefit liability:

Liability experience loss

Actuarial (gain)/losses arising from changes in financial assumptions

Actuarial losses

Return on plan assets excluding interest income

2023 Rs.	2022 Rs.
11,090,000	4,722,000
(12,871,000)	18,631,000
(1,781,000)	23,353,000
(247,000)	(139,000)
(2,028,000)	23,214,000

(vii) The assets in the plan were:

Percentage of assets at end of year

Qualifying insurance policies

Total

2023 %	2022 %
100	100
100	100

The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment policy with a minimum guaranteed return.

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

Discount rate

Future salary growth rate

Future pension growth rate

Average Retirement Age (ARA)

Assumed SWAN annuity rates for:

- Male of ARA

- Female of ARA

2023 %	2022 %
5.4	4.1
2.5	2.5
2.5	2.5
60	60
25.8	25.8
27.7	27.7

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

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

	2023 Rs.	2022 Rs.
Increase due to 1% decrease in discount rate	6,341,000	7,090,000
Decrease due to 1% increase in discount rate	5,425,000	6,024,000
Decrease due to 1% decrease in salary increase rate	8,314,000	9,166,000
Increase due to 1% increase in salary increase rate	7,329,000	8,045,000

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

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

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

(x) The defined benefit pension plan exposes the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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

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

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

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

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

(xii) The Company expects to pay Rs.14,145,000 in contributions to its post-employment benefit plans for the year ending June 30, 2024.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Defined pension benefits (Cont'd)

- (xiii) The weighted average duration of the defined obligation is 6.8 years at the end of the reporting period (2022: 6.4 years).
- (xiv) The Group is converting its pension benefits from defined benefits to defined contributions, the process has been finalised awaiting approval from the FSC.

(b) Other post-retirement benefits

- (i) Other post-retirement benefits comprise of retirement gratuity payable under the Workers' Rights Act 2019.
- (ii) The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:

	2023 Rs.	2022 Rs.
At July 1,	1,295,000	1,103,000
Charged to profit or loss (note (b)(iv))	524,000	279,000
Credited to other comprehensive income (note (b)(v))	(623,000)	(87,000)
At June 30,	1,196,000	1,295,000

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

	2023 Rs.	2022 Rs.
At July 1,	1,295,000	1,103,000
Current service cost	458,000	227,000
Interest cost	66,000	52,000
Liability experience (gain)/loss	(494,000)	727,000
Actuarial gains arising from changes in financial assumptions	(129,000)	(814,000)
At June 30,	1,196,000	1,295,000

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

	2023 Rs.	2022 Rs.
Current service cost	458,000	227,000
Net interest cost	66,000	52,000
Total included in employee benefit expense (note 12)	524,000	279,000

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

24. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post-retirement benefits (Cont'd)

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

Remeasurement on the net defined benefit liability:

Liability experience (gain)/loss

Actuarial gains arising from changes in financial assumptions

Actuarial gains

2023 Rs.	2022 Rs.
(494,000)	727,000
(129,000)	(814,000)
(623,000)	(87,000)

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

Discount rate

Future salary growth rate

Average Retirement Age (ARA)

2023 %	2022 %
5.7	5.1
2.5	2.5
60/65	60/65

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

Increase due to 1% decrease in discount rate

Decrease due to 1% increase in discount rate

Decrease due to 1% decrease in salary increase rate

Increase due to 1% increase in salary increase rate

2023 Rs.	2022 Rs.
319,000	345,000
247,000	267,000
307,000	325,000
226,000	215,000

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

(viii) The funding policy is to pay benefits out of the entity's cash flow as and when due.

(ix) The Company does not expects to pay contributions to its post-employment benefit plans for the year ending June 30, 2024.

(x) The weighted average duration of the defined obligation is 11.5 years (2022: 11.6 years) at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

25. TRADE AND OTHER PAYABLES

	THE GROUP	THE COMPANY	
	2023 Rs.	2023 Rs.	2022 Rs.
Trade payables	18,442,359	18,473,942	14,128,935
Amount due to related parties	185,307	185,307	450,381
Bills payables	19,973,706	19,973,706	25,631,560
Accrued expenses	1,257,263	1,257,263	2,975,217
Other payables	1,441,157	1,217,456	1,493,844
	41,299,792	41,107,674	44,679,937

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

26. INTANGIBLE ASSETS

	THE GROUP AND THE COMPANY	
	2023 Rs.	2022 Rs.
<u>Computer software</u>		
At July 1,	560,750	-
Additions	-	560,750
At June 30,	560,750	560,750
At July 1,	112,150	-
Charge for the year	112,150	112,150
At June 30,	224,300	112,150
NET BOOK VALUE	336,450	448,600

Amortisation charge of Rs.112,150 (2022: Rs.112,150) has been included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

27. RELATED PARTY TRANSACTIONS

	Purchase of goods or services Rs.	Sales of goods or services Rs.	Commission expenses Rs.	Commission payable Rs.	Management fees/Rental charges Rs.	Amount owed to related parties Rs.	Amount owed by related parties Rs.
(a) THE GROUP							
2023							
- Entities with significant influence over the entity	1,059,935	162,651	-	-	359,500	103,358	-
- Other related parties	553,887	56,471,915	5,877,324	1,107,333	6,357,360	81,949	6,200,840
(b) THE COMPANY							
2023							
- Entities with significant influence over the entity	1,059,935	162,651	-	-	359,500	103,358	-
- Subsidiary	1,239,705	-	-	-	189,052	-	373,951
- Other related parties	553,887	56,471,915	5,877,324	1,107,333	6,357,360	81,949	6,200,840
2022							
- Entities with significant influence over the entity	1,043,230	942,559	-	-	431,420	186,920	28,449
- Other related parties	238,937	56,097,705	3,840,449	3,208,033	5,125,782	263,461	12,494,906

Other related parties comprise of transactions and balances with subsidiaries having a significant influence over the entity.

The sales to and purchase from related parties are made in the normal course of the business. Outstanding balances at the year end are unsecured, interest free with the exception of loans and settlement occurs in cash.

There has been no guarantees provided or received for any related party receivables or payables. For the year ended June 30, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil).

(b) Directors and key management personnel compensation

	2023 Rs.	2022 Rs.
Salaries and short-term employee benefits	15,539,658	13,033,376
Directors fees	1,041,038	1,043,113
	16,580,696	14,076,489

28. REGISTERED OFFICE

The registered office of PIM Limited is at Level 3, Alexander House, 35 Cybercity, Ébène, Mauritius and its place of business is at Quay Road, Port-Louis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

29. RIGHT-OF-USE ASSETS

COST

At July 1, 2021

Additions

Lease remeasurement

Transfer to Property, Plant and Equipment

June 30, 2022

Lease termination

Transfer to Property, Plant and Equipment

Additions

At June 30, 2023

DEPRECIATION

At July 1, 2021

Charge for the year

Transfer to Property, Plant and Equipment

At June 30, 2022

Lease termination

Transfer to Property, Plant and Equipment

Charge for the year

At June 30, 2023

NET BOOK VALUE

At June 30, 2023

At June 30, 2022

THE GROUP AND THE COMPANY		
Buildings Rs.	Motor vehicles Rs.	Total Rs.
10,410,641	3,635,000	14,045,641
-	5,801,774	5,801,774
4,257,279	-	4,257,279
-	(2,090,000)	(2,090,000)
14,667,920	7,346,774	22,014,694
(14,425,859)	-	(14,425,859)
-	(1,545,000)	(1,545,000)
35,724,150	1,500,000	37,224,150
35,966,211	7,301,774	43,267,985
9,617,239	3,531,998	13,149,237
4,808,620	433,223	5,241,843
-	(2,090,000)	(2,090,000)
14,425,859	1,875,221	16,301,080
(14,425,859)	-	(14,425,859)
-	(1,545,000)	(1,545,000)
5,970,692	1,409,616	7,380,308
5,970,692	1,739,837	7,710,529
29,995,519	5,561,937	35,557,456
242,061	5,471,553	5,713,614

Depreciation charge of Rs.5,970,692 (2022: Rs.4,808,620) has been included in cost of sales and Rs.1,409,616 (2022: Rs.433,223) has been included in administrative expenses.

The Company leases a building and a steel portal frame building from Proton Limited for an average lease terms of 3 and 10 years. The lease agreement has not been renewed at year end and will be renewed subsequent to year end.

Amounts recognised in profit or loss

Depreciation expense on right of use assets

Interest expense on lease liability (note 15)

2023 Rs.	2022 Rs.
7,380,308	5,241,843
2,333,612	80,672
9,713,920	5,322,515

The additions of Rs.1,500,000 relating to motor vehicles includes an amount of Rs.246,152 which has been paid by the Company and capitalised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

30. LEASE LIABILITIES

Analysed as:

Non-current
Current

Maturity analysis:

Year 1
Year 2
Year 3
Year 4
Year 5

Less: Unearned Interest
Total

THE GROUP AND THE COMPANY	
2023	2022
Rs.	Rs.
30,531,996	4,033,041
6,079,493	913,924
36,611,489	4,946,965
2023	2022
Rs.	Rs.
6,314,155	1,152,987
6,968,970	1,152,987
7,686,696	1,152,987
8,225,512	1,152,987
7,981,267	1,005,054
37,176,600	5,617,002
(565,111)	(670,037)
36,611,489	4,946,965

Lease liabilities includes an amount of Rs.565,111 (2022: Rs.670,037) which relates to finance lease.

The lease liabilities is measured at present value of the future fixed lease payments that are paid at the end of the financial year. Lease payments are apportioned between finance charges and reduction for the lease liability with the incremental borrowing rate of (5.00% and 6.25%) to achieve a constant rate of interest on the remaining balance of the liability.

31. INVESTMENT IN SUBSIDIARY

COST

Addition

At June 30, 2023

2023
Rs.
1,000,000
1,000,000

Details of the subsidiary are as follows:

Name of company	Class of shares held	Share capital	Main business	Year end	Country of incorporation and operation	Ownership interest
PIM Recycling Ltd	Ordinary	1,000,000	Activity consists of collecting plastic waste and to process those plastic wastes into flakes to sell on the local	June 30,	Mauritius	100%

The subsidiary will start operating at full capacity in the year 2023/2024. The Directors assessed the carrying amount of the investment for any indication of impairment and concluded no impairment is required at the reporting date.

32. SEGMENTAL INFORMATION

The Directors have considered the nature of the business of the Group and the Company and concluded that segmental information is not applicable under the present circumstances as they analyse their business as one operating segment and no discrete financial information is available for the revenue streams.

33. SUBSEQUENT EVENTS

There has been no material events after the reporting date which in the opinion of the Directors require disclosure in the financial statements as at June 30, 2023.