2021
INTEGRATED REPORT

omnicane
Integrating Energies

Powering sustainability

102-1

Dear Stakeholder,

The Board of Directors is pleased to present the Integrated Report of Omnicane Limited for the year ended 31st December 2021. This full report is GRI Standards compliant and is available on Omnicane's website at **www.omnicane.com**.

Harold MAYER
CHAIRPERSON

Jacques M. D'UNIENVILLE, GOSK
CHIEF EXECUTIVE OFFICER

"Our planet's fate is in our hands. At Omnicane, we believe on harnessing the power of renewable energy for a future where all can thrive. We are actors of change. It begins by powering sustainability today."

CONTENTS

ABOUT OUR REPORT

102-1 | 102-10 | 102-46 | 102-50

Scope, Boundary and Reporting Cycle

Omnicane Limited's Integrated Report 2021 provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance. Unless otherwise stated, all performance data relates to the 12-month period ended 31 December 2021. There were also no significant changes in the organisation and its supply chain.

Reporting Principles

102-49 | 102-54

Omnicane has applied the principles contained in the International Financial Reporting Standards (IFRS), the National Code of Corporate Governance for Mauritius 2016 and the Stock Exchange of Mauritius Listing Rules. This report has been prepared in accordance with the GRI Standards: Core option. The International <IR> Framework of the International Integrated Reporting Council (IIRC) has also been used as reference.

Materiality Process

102-47

A second materiality and stakeholder engagement exercise was conducted in December 2019 to review the material topics under the GRI standards. The updated report is available on Omnicane's website at **http://www.omnicane.com**

Cross-Referencing with GRI Standards

The content of this Integrated Report has been cross-referenced with respect to the different disclosures of the GRI Standards, for example, when reporting on GHG emissions, it has been cross-referenced **305-1**.

External Audit

102-56

An independent audit of the Group's annual financial statements was performed by Deloitte.

Forward-Looking Statements

This report contains certain forward-looking statements with respect to Omnicane's financial condition, results, operations and businesses. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that will occur in the future.

Link with Sustainable Development Goals

Omnicane has linked 14 out of the 17 Sustainable Development Goals related to its operations and activities in this report. SDG icons indicate the relevant sections that support the goals.

Photo Credits

Most of the photos taken for this Integrated Report 2021 has been from Peter Hough, Sugar Development Executive at Omnicane.

01 ABOUT OMNICANE

OMNICANE AT A GLANCE

FINANCIAL

5.4 BILLION
Turnover (Rs)

0.75 BILLION
EBITDA (Rs)

NIL
Dividend per share (Rs)

9.67
Headline loss per share (Rs)

0.87 BILLION
Net loss after tax (Rs)

57.47%
Gearing

OPERATIONAL

885,495 TONNES
Sugarcane received

190,133 TONNES
Sugarcane harvested

214,533 TONNES
Refined sugar produced

20.2 MILLION LITRES
Bioethanol produced

770 GWh
Electricity exported to the grid

1,174,675 TONNES
Total amount of materials transported

OTHERS

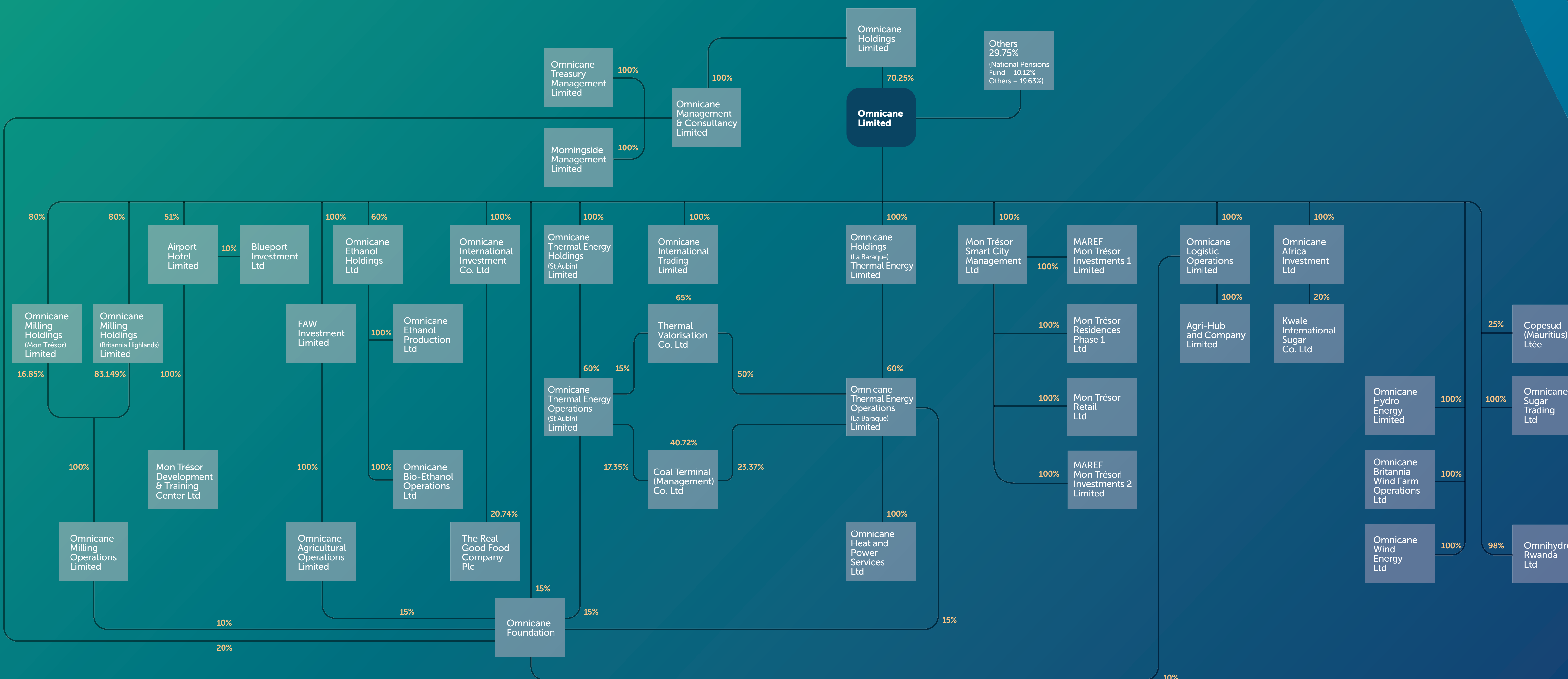
1,333 EMPLOYEES

2,157 SHAREHOLDERS

20% SHAREHOLDING
in KISCOL

20.74% SHAREHOLDING
in Real Good Food plc

GROUP STRUCTURE



BUSINESS LOCATIONS

Local Operations

	Cane growing	Sugar milling	Energy	Logistics	Hospitality	Land development	Omnicane Headquarters
Mon Trésor	●				●	●	●
Britannia	●			●		●	
Highlands						●	
Benares	●						
La Baraque		●	●				
St Aubin			●				

Market Presence

102-3 | 102-4 | 102-6 | 103-1 | 103-2 | 103-3 | 202-2

Omnicane's main place of business is in the South of Mauritius. The industrial cluster at La Baraque comprises a modern sugar factory, a sugar refinery, a bagasse-coal cogeneration power plant, a bioethanol distillery and a Carbon Burn-Out Unit. The cluster approach is also of strategic importance when it comes to maximising revenue, minimising costs, proximity to main sources of raw materials and transport links. Omnicane's property development activities are located mainly at Mon Trésor, near SSR International Airport. The Group is present in Kenya through a 20% equity stake in Kwale International Sugar Company Limited (KISCOL). In Rwanda, Omnicane is currently building a 5MW hydro-electric power plant, of which 2MW have already been commissioned. In the UK, the Group has a 20.74% stake in Real Good Food (RGF), which is a manufacturer of sugar paste, marzipan and low-calorie health bars.

KEY EVENTS

February 2021 *– Omnicane Wellness Programme - Yoga session by Trilo Gujadhur organised for employees*

March 2021 *– Donation of Dina Care Hand Sanitizers to the Commissioner of Police*

June 2021 *– Annual Crop Prayers for beginning of sugarcane crop season at Amma Tookay Temple*

August 2021 *– Omnicane's CEO, Jacques M d'Unienville's participation in the MEDEF conference in Paris*

August 2021 *– Participation of Dina Life sugar team in Radio One's programme*

September 2021 *– Participation of Omnicane's Dina Life Team in the launching of Sugar Fortnight at Le Labourdonnais Hotel, Port Louis*

October 2021 *– Visit of Indian High Commissioner, Her Excellency Mrs Nandini Singla at Omnicane House, Plaine Magnien*

March 2022 *– Commissioning of Omnihydro powerplant in Rwanda*

March 2022 *– Visit of French Ambassador, Her Excellency Mrs Florence Caussé-Tissier at Omnicane's La Baraque Cluster*

March 2022 *– 54th Independance Day celebrations at L'Escalier pre-primary school*

June 2022 *– Inauguration of Omnihydro Mushishito-Rukarara Power Plant in Rwanda by Hon. Pravind Kumar Jugnauth, Prime Minister of Mauritius and Dr. Edouard Ngirente, Prime Minister of the Republic of Rwanda*

02 OPERATING CONTEXT

VALUE CREATION PROCESS

VISION To be a leading force in sustainable development through constant innovation

MISSION We strive to make the utmost sustainable use of resources at our disposal, for the benefit of all

OUTCOME Reliable production and export of electricity to the grid
Supply of high-quality value-added products to our customers

CAPITAL INPUTS

Financial Capital
- Debt & equity financing
- Reinvestment

Manufactured Capital
- Head office & supporting services
- Agricultural equipment, irrigation lines, pump stations
- 1 sugar factory
- 1 sugar refinery
- 2 power plants in Mauritius
- 1 hydroelectric power plant in Rwanda
- 1 Carbon Burnout unit
- 1 distillery
- Fleet of specialised vehicles

Human Capital
- Skilled and experienced staff and workers (1,333 employees)

Natural Capital
- Sugarcane, plantation white sugar, molasses, bagasse, coal, coal fly and bottom ash
- Energy, fuel & water

Intellectual Capital
- Company culture & skills
- Brand & reputation
- Digital transformation

Social & Relationship Capital
- Positive employee relations
- Constructive engagement with local communities
- Collaboration partnerships with stakeholders

STRATEGIC OBJECTIVES

- Achieve financial objectives
- Diversify geographical base
- Rebalance the gearing
- Enhance value of land bank
- Sustainable growth
- Vertical integration of cane industry
- Strategic partnerships
- Strengthening of business

OPERATIONS

- Agriculture
- Sugar Milling
- Sugar Refining
- Bioethanol Distillery
- Thermal La Baraque
- Thermal St Aubin
- Logistics
- Holiday Inn Mon Trésor
- Property Development

VALUES

Growth Drivers
- Responsibility
- Innovation
- Integrity
- Sustainability
- Efficiency

CAPITAL OUTPUTS

Financial Capital
- Turnover: Rs 5.4 billion
- Retained loss: Rs 0.87 billion
- Depreciation: Rs 484 million

Manufactured Capital
- Investment in Property, Plant & Equipment: Rs 382 million

Human Capital
- Expenditure as salaries, wages & other benefits: Rs 726.6 million

Natural Capital
- Total amount of renewable direct materials used: 9.8 million tonnes
- Total amount of non-renewable direct materials used: 432,973 tonnes
- Total energy consumed: 2,371,693 GJ
- Total water consumed: 8,753,121 m^3
- Total environmental expenditure: Rs 79.4 million

Intellectual Capital
- Total amount spent on trainings: Rs 1.2 million

Social & Relationship Capital
- Total amount spent as CSR projects: Rs 3.8 million
- Total spending on local and foreign suppliers: Rs 1.5 billion

OUR MATERIAL RISKS

- **Volatility in sugar prices & volume of sugar on the world market**
- **Delayed harvest**
- **Non-compliance with environmental regulations**
- **Pandemic outbreak**
- **Failure to recruit and retain appropriate staff**
- **Liquidity**
- **Supply disruption**

OUR OPPORTUNITIES

- **Demand for sustainable supply chain**
- **Exploitation of local renewable energy sources**
- **Local and regional markets**

FINANCIAL & OPERATIONAL DATA

Financial data	2021	2020	2019
Headline loss per share (Rs)	**9.67**	15.56	3.25
Dividend per share (Rs)	**-**	-	-
Return on equity (%)	**(15.32)**	(46.17)	(14.48)
Net asset value per share (Rs)	**87.95**	98.78	118.01
Gearing (%)	**57.47**	61.46	57.49
No. of ordinary shares ('000)	**67,012**	67,012	67,012

Operational data	2021	2020	2019
Growing			
Area harvested (hectares)	**2,270**	2,304	2,260
Cane production (tonnes)	**190,133**	186,859	209,255
Sugar produced (tonnes)	**18,583**	18,916	20,003
Sugar accrued as planters (tonnes)	**14,495**	14,754	15,602
Sugar yield per hectare (tonnes)	**8.2**	8.2	8.9
Sugar price (Rs)	**15,000**	12,282	10,000
Area harvested mechanically/total harvest area (%)	**83**	80	76

Milling	2021	2020	2019
Sugar refined and sold (tonnes)	**214,533**	156,255	154,706
Sugar accrued (@ 98.5 pol) as miller (tonnes)	**18,546**	19,538	21,602
Sugar produced by the mills (tonnes)	**85,506**	88,010	108,840
Cane received (tonnes)	**885,495**	929,511	1,113,383
Sugar price (Rs)	**15,000**	12,282	10,000

Energy	2021	2020	2019
Total electricity exported (GWh)	**770**	751	774
From coal (GWh)	**676**	651	655
From bagasse (GWh)	**94**	100	119

Distillery	2021	2020	2019
Molasses used (tonnes)	**69,829**	61,094	62,127
Bioethanol produced (million litres)	**20.2**	17.8	18.8

17 PARTNERSHIPS FOR THE GOALS

STAKEHOLDER ANALYSIS & ENGAGEMENT

102-21 | 102-33 | 102-40 | 102-42 | 102-43 | 102-44

Omnicane respects the needs and expectations of its various stakeholders and other interested parties it interacts with during the course of its activities and business operations. Effective engagement with these different players helps translate stakeholder needs into organisational goals and creates the basis for effective strategy development. Under the Bonsucro and ISO 9001:2015 Quality Management System certifications, some of Omnicane's certified entities actually have to report on the method of stakeholder engagement, prioritisation strategy and how to monitor them on a defined interval. There are two types of stakeholders – internal and external – as summarised below:

	Main stakeholders	Our strategic objectives	How we interact	Frequency
1	**Customers** **103-1 | 103-2** **103-3 | 416-1** **418-1**	• Ensure customer satisfaction and timely delivery on promises • Be a reliable partner in the feed-to-food chain • Be compliant with the various standards such as ISO 9001:2015, ISO 22000:2018, BRC, & IHG brand standards	• Meetings – online or face to face • Client audits • Email or letters	As and when required
2	**Shareholders**	• Increase shareholder value	• Quarterly financial statements • Annual Integrated Reports • Omnicane website (www.omnicane.com)	Quarterly & yearly
3	**Employees**	• Foster an enabling and productive work environment • Promote and maintain industrial peace and harmony • Pursue our training programme for productivity enhancement	• Notice boards/signage • Email • Memos • Website • Meetings	Daily/As and when required
4	**Banks & financial institutions**	• Fulfil financial commitments	• Meetings • Email	As and when required
5	**Suppliers/ Contractors**	• Support local suppliers and promote the procurement of locally available raw materials • Ensure a sound choice of suppliers	• Meetings • Supplier evaluations	As and when required
6	**Government/ Regulatory bodies**	• Commitment to compliance with laws and other requirements • Participation and collaboration with policymakers on strategic decisions about the cane industry, the environment and sustainable development	• Close collaboration and meetings with Government and parastatal bodies	As and when required
7	**Trade unions**	• Harmonious employer-employee relations	• Meetings	As and when required
8	**Local community/ Public**	• Social responsibility and engagement through CSR	• Newsletter • Meetings • Sponsoring community-based projects • Social media	Quarterly/ As and when required

03 STRATEGY & LEADERSHIP

“Dear Shareholders,
On behalf of the Board, I am pleased to present Omnicane’s Integrated Report for the financial year ended 31 December 2021 under the theme “**Powering Sustainability**”. ”

THE CHAIRPERSON’S LETTER

This report reflects on the financial figures as at 31 December 2021, which were again affected by the COVID-19 pandemic. The country went through a second lockdown from March to April 2021, followed by the full reopening of our borders in October 2021. This state of things hampered the forecasted rebound of the economy.

Against this challenging backdrop, I am pleased to report that the Group, which is a systemic operator in the Mauritian economy, especially in the production of essential products, showed resilience during the prevailing adverse circumstances.

Economic Context

At the time of writing last year, the Mauritian economy was expected to rebound by 6 to 7% after a contraction of 14.9% in 2020. Unfortunately, a second wave of the COVID-19 pandemic hit the country early in 2021, triggering the closure of our borders for the most part of the year. The tourism sector, which is a significant net generator of foreign currency, was particularly affected. This contributed to the depreciation of the Mauritian rupee against the USD by 9.42%, which in turn fuelled an increase in inflation rate from 2.5% in 2020 to 4% in 2021.

On a positive note, the vaccination programme deployed by the Government of Mauritius was a success with a very high level of fully vaccinated people that made the reopening of the economy easier in October 2021, with less stringent sanitary requirements.

For 2022, the Mauritian GDP is expected to grow by around 6% on the back of higher tourist arrivals, with the authorities targeting to reach the 1 million mark. Despite the impact of the war in Ukraine, the other sectors of the economy are expected to start recovering from the effects of the pandemic.

As countries around the world started to emerge from the health crisis in the second semester of 2021, we witnessed a pressure on the demand for commodity goods, which actioned not only a supply chain disruption, but also an increase in prices and global shipping costs. This has been exacerbated by the war in Ukraine, which started in late February 2022 and is still going on. Russia and Ukraine are indeed major producers of some specific commodities like wheat, oil, natural gas, and coal and as the war persists, it is expected that global growth will be slashed while inflation continues to rise.

As stated last year, we took some bold and courageous moves to give the Group a more solid financial platform to rebound from the pandemic. We have achieved a large part of our objectives in 2021 and early 2022. We will continue to monitor closely our financial metrics, particularly in this volatile economic environment. The strategic exercise kickstarted in 2021 will also take on board the global supply chain disruptions and the new economic order.

CHAIRPERSON'S LETTER (CONT'D)

Financial Performance

I stated last year that I was confident that after the bold measures taken, we were on the right track to bring back the Group to sustainable profitability in the future, despite the uncertainties on the pace of global and local economic recovery.

I am pleased that we have been able to improve the Group's EBITDA by 16% after taking into consideration the exceptional effect of coal prices. This improvement is mainly attributed to the sugar segment, which for the first time after several years of low-price environment, has generated a positive EBITDA of Rs 331 million against a loss of Rs 29 million in 2020.

This result is the fruit of our deep belief in this activity sector, which is pivotal for the Mauritian economy with one of the highest multiplier effects and the main supplier of biomass for green energy production. I would like to commend the CEO and Management for steering through the difficult time experienced by this sector and the measures taken not only at an operational level but also at a more strategic level with the authorities for the implementation of sustainable measures.

Despite the improved operational results, our bottom-line figure was affected by high finance costs and FOREX loss on the conversion of foreign loans due to the depreciation of the Mauritian rupee and impairments adjustments.

The Group's fell gearing ratio was down from 61% to 57% following the completion of the first tranche of the MIC transaction.

Omnicane 2.0

Last year, we launched Omnicane 2.0 with the objective of having a clear strategic intent for 2021-2024 after having considered the sectors, markets, socio-economic, and environmental trends impacting Omnicane's current and new business activities. This will result in a new vision, mission, and business objectives.

I am pleased to report that we have progressed well on this front. We have a clear road map and some important milestones have already been achieved to date, including a lookback exercise to compare our forecast and actual results over the last 5 years, a SWOT analysis for each operating cluster and brainstorming sessions with Board members and Management on new business opportunities.

We will complete this exercise in the second half of 2022 with the setting up financial guidelines for the Group and its subsidiaries and determining the Strategic Positioning for the Group going forward based on business trends and market research.

Corporate Governance

The Group considers information to be a strategic asset that is essential to its core mission and business operations. We value the privacy of individuals, including our employees and are dedicated to protect the information with which we are entrusted. In the same vein, we are also highly dependent on Information Technology (IT) in this post-COVID-19 era as it supports us and many critical business functions in our day-to-day transactions. Therefore, Omnicane is committed to providing the resources needed to ensure confidentiality, integrity and availability of its information as well as reduce the risk of exposure that would damage the reputation of the Group. As such, I am pleased to state that we have successfully implemented IT security and data protection policies endorsed by the Board and communicated to all employees.

On the Board composition side, we acknowledge the urgent need to build diversity and equality by recruiting a female Director and we are currently finalising on this. The Board continues to be committed to abide by the principles of the Code of Corporate Governance for Mauritius to ensure sound corporate governance practices for long-term sustainability of our business.

Sustainability

In line with the Government of Mauritius' policy to increase the share of renewable energy resources by 60% while decreasing greenhouse gas emissions by 40%, Omnicane is working with the various relevant stakeholders on a plan to gradually phase out coal from its two power plants at La Baraque and St Aubin. We highly salute the laudable initiative of the Government to implement a National Biomass Framework to encourage more landowners in Mauritius to engage in the production of renewable biomass sources including bagasse for energy production.

As per the theme of this report, Omnicane continues to power sustainability across our value chain through complying with various international standards such as Bonsucro, Fairtrade and VIVE. We strongly believe that the continuous adoption of these practices will trigger improvements in our business operations, procurement, sales, marketing and stakeholder engagement as well as promoting sector-wide change.

2022 Outlook: Getting Traction

I am very proud that we have completed the construction and successfully commissioned the 5.5 MW Hydro-electrical power plant project in Rwanda. This green energy facility will give us the credentials to seek out other such opportunities in Africa. In the same vein, in Mauritius, we will follow closely the Biomass Framework Report, which should facilitate and accelerate the energy transition.

Omnicane's results are expected to improve despite the uncertain international economic context. We have indeed completed in February 2022 the MIC transaction which will have contributed to significantly reduce the Group's debt. We will further deleverage the Group with the completion of a major morcellement project in 2022.

Acknowledgments

I would like to take the opportunity to thank my colleagues on the Board for their support and wise counsel throughout the year. I am also grateful to Omnicane's Management team, led by Jacques M. d'Unienville for demonstrating strong commitment and ethical leadership in pursuing the Group's strategy while ensuring the safety and well-being of our employees. I am confident that Omnicane will continue in its quest to deliver value for all its stakeholders in the future.

Harold MAYER
CHAIRPERSON

BOARD OF DIRECTORS
AS AT DECEMBER 31, 2021

Harold MAYER
NON-EXECUTIVE CHAIRPERSON

Jacques M. D'UNIENVILLE, GOSK
CHIEF EXECUTIVE OFFICER

Nelson MIRTHIL
CHIEF FINANCE OFFICER

Bertrand THEVENAU
NON-EXECUTIVE DIRECTOR

Pierre M. D'UNIENVILLE
NON-EXECUTIVE DIRECTOR

Preetam BOODHUN
NON-EXECUTIVE DIRECTOR
(Resigned in Jan 2022)

Jimmy TONG SAM
NON-EXECUTIVE DIRECTOR

Bertrand BOULLE
NON-EXECUTIVE DIRECTOR

Didier MAIGROT
NON-EXECUTIVE DIRECTOR

Dineshrao BABAJEE
NON-EXECUTIVE DIRECTOR

Dhananjay KAWOL
NON-EXECUTIVE DIRECTOR

Boyrajsing BOYRAMBOLI
NON-EXECUTIVE DIRECTOR
(Resigned in July 2021)

CHIEF EXECUTIVE OFFICER'S Q&A

102-14

102-14

The results of the Group have improved significantly compared to last year, despite being still in a loss situation. What are the main drivers behind this achievement?

In 2020, our results were heavily affected by the COVID-19 impact which led to a drop in our operational profit and resulted in significant impairments on our assets and investments.

In 2021, despite a second lockdown from March to April, we have seen an improvement of 16% in our EBITDA, fuelled by the sugar segment which benefitted from both the remuneration of Rs 3,300/ tonne for energy produced from bagasse and a 22.7% rise in sugar price. In addition, following the finalisation of the first tranche of the MIC transaction in June 2021 and a lower level of the Mauritian rupee depreciation compared to USD, finance costs and forex loss were down by Rs 83.6 million and Rs 154.3 million respectively in 2021.

For the year under review, unfortunately we had to provide for an additional Rs 258.3 millions of assets impairment.

We are convinced that the worse is now behind us and that after the deleveraging of the Group and more positive market conditions, particularly in the sugar and ethanol segments, we will be back to profitability in 2022.

The first tranche of the MIC transaction was completed in 2021. When will the transaction be fully realised and can you explain its impact on Group results?

The second tranche of the MIC transaction was indeed completed in February 2022 with the disposal of land for an amount of Rs 2.0 billion. The amount of Rs 4.5 billion received from this transaction has been used to reduce our debts. We have made an early repayment for all the bonds which were due in 2023 and 2024, as they were carrying higher interest cost. The reduction in our debt level will reduce substantially our finance costs and will bring down our gearing.

Let's go back to the results for the sugar segment, which after several years of operating losses, has this year shown a significant improvement and is now generating operating profits. Are you satisfied with such a performance?

We have had to face years of low sugar prices, which affected us deeply. We have worked closely with the authorities to ensure fair planter and miller remunerations in terms of the bagasse used to produce energy. This resulted in Rs 3,330 per tonne of sugar produced and has contributed to relieve the financial pressure on the sugar segment. That said, we still have some work to do to be even more efficient in our operations. The reduction in the volume of cane produced in the factory area is a cause of concern and we are collaborating with all the planters to explore avenues not only to increase cane plantation but also the yield per hectare. The latter has been affected by years of reduced crop maintenance, lower cane replantation and fertilisation due to low sugar prices. The authorities have also introduced interesting measures like grants and subsidised loans to incentivise cane replantation.

Additionally, we have to continue to seek innovative means to control our cost of production with the increase in commodity prices, particularly after the outbreak of war in Ukraine.

To pick up on the increase in commodity prices, how is this impacting the Group?

The increase in prices of commodities in general started since last year after the reopening of economies, specifically in Europe and has been accentuated by the war in Ukraine. This has impacted Omnicane, particularly due to coal which is used for energy production for our cluster and for the national grid. I must however point out that under the Power Purchase Agreement, the coal purchased is at the end a pass-through cost to the offtaker. Apart from coal prices, we are being affected not only by the increase in fuel and fertilisers costs but also by logistics and freight costs. This challenging context is pushing us to look at innovative ways to mitigate the adverse impact on our operations, for example by using more locally made fertilisers.

The current context seems to be right for accelerating the energy transition from coal to green energy. How do you assess the situation on that front?

I stated last year that the remuneration of bagasse for energy production was a first step in the right direction and that the finalisation of the Biomass Framework was important to give visibility to energy operators going forward. We have two power plants, one of 90MW which is dual-fired, operating on bagasse and coal and the second of 35 MW, which runs on coal. Our objective is to transform both power plants into full biomass facilities in a near future. This has already been done with great success on similar power plants in Reunion Island. The advantage of biomass is indeed the quality of the energy produced, which can be used as base load instead of intermittent energy from solar and wind farms.

We are closely collaborating with the authorities on the Biomass Framework and look forward to its implementation soon. That said, we will also continue to look for opportunities outside Mauritius, particularly in East Africa.

Talking about energy in Africa, what is the status of the hydroelectric power plant in Rwanda. Is it now completed?

I am very pleased that our teams have been able to meet the challenge of starting commercial operation on the agreed date of 3 March 2022 for the 5 MW facility. The project is now fully operational and we are very proud of the result.

I would like to take this opportunity to thank the Board of Directors for supporting us all the way despite the numerous difficulties we encountered. Omnicane has now the credentials in the small hydro niche market and we could consider other similar endeavours in the future.

CHIEF EXECUTIVE OFFICER'S Q&A (CONT'D)

102-14

Sustainability has been incorporated in Omnicane's DNA since the last years. What business value have you seen from your sustainability efforts and going forward, what is your future sustainability strategy?

During our sustainability journey, Omnicane has had the opportunity to interact with various stakeholders and adopt several sustainability standards such as Bonsucro and VIVE. For Omnicane, Bonsucro certification was the result of a long-standing commitment to sustainability. Beyond guaranteeing the sustainability of its supply chain, the adoption of the Bonsucro standard has provided an opportunity to engage in a process of continual performance improvement within agricultural and milling operations.

In addition, I am pleased to report that during the year under review, Omnicane has achieved another national and regional milestone – that of completing the sale of Bonsucro raw sugar credits two years after its certification. Bonsucro credits open new avenues for us to market the sustainability credentials of our sugar. It gives us the opportunity to make a positive virtual contribution towards a global sustainable sugar supply chain. Furthermore, the sale brings an additional source of revenue for the relevant segment, and hence contributes directly to improving the competitivity of our sugar on the global market.

We hope that this first sale of Bonsucro sugar credits will pave the way for us to partner with more buyers who have taken bold commitments in terms of sustainable sourcing.

With climate change posing an increasing threat to our future, more and more companies are committing to net zero emissions by 2050. What is Omnicane's strategy towards net zero?

Plotting a path to net zero at a time when the world is seeking secure and accessible energy supplies is perhaps the toughest strategic challenge faced by every energy operator. Despite the current spike in the demand for (and price of) crude oil, we acknowledge that decarbonisation is necessary. I believe that to navigate through the current energy crisis while also preparing for a low-emission future, we need to develop a plan to achieve net zero in our own operations along with the involvement of all stakeholders concerned. As a first step towards net zero, we are currently working on a strategy to phase out coal in both our power plants in line with the Government's energy policy. Once we have established realistic and measurable KPIs to this effect, we will work on further actions towards net zero in the short to medium term.

Last year, you mentioned the launching of Omnicane 2.0. How has the Group progressed on this front?

Omnicane 2.0 is well on track. We have already covered the first and second phases, which consisted in a 'lookback' exercise to compare what we achieved in the last five years with what was planned. From this, we have been able to derive a SWOT analysis for each of our clusters and more importantly, extract lessons learned during that 5-year period.

The second phase was focused on the way forward for each of our clusters, taking into consideration clients' needs and market trends. With our experience and know-how, the dynamic green energy production market will be key for us, while we now need to go a step further in the value chain in the sugar and ethanol segments.

We are now working on two important aspects. One of them is the implementation of financial guidelines to ensure that we have a framework in place for each cluster in terms of gearing, capital structure, investment and dividend policy.

The other is a corporate organisational structure which will enable the various Group entities to be more flexible in their capital structure and have clear accountability for each cluster. In that respect, I am pleased to say that we have appointed Jérôme Jaen as the CEO of the Agro-Industry & Energy cluster and Bertrand Thevenau as CEO of the Properties, Retail & Branding cluster. Both Jérôme and Bertrand have tremendous experience in their respective fields, and I am sure that they will contribute significantly to the success of the Group going forward.

We have planned to complete the strategic exercise by November 2022.

To conclude, what are the main challenges facing the Group in 2022?

The economic environment is still not stable with the war in Ukraine and the COVID-19 effects still being felt. Soaring commodity prices, which is in turn triggering a high inflation rate worldwide, has seen the US and EU central banks hiking their interest rate. This is also the case here in Mauritius and it is very probable that we will see a further increase in the repo rate by the end of 2022. Another cause of concern is the challenging environment for the transport and logistics of goods, which is putting a lot of pressure on operating companies in terms of imports or exports.

That said, we believe that we are now in a much better position to sail through these challenges, with a clear direction, reduce gearing and determined Management team. In closing, I wish to thank the Chairperson, my colleagues on the Omnicane Board and executive teams for their guidance and support over the year. I am also grateful to our employees across the Group for their invaluable contribution. I continue to be impressed by their energy and passion.

Jacques M. D'UNIENVILLE, GOSK
CHIEF EXECUTIVE OFFICER

KEY EXECUTIVES

1 Jacques M. D'UNIENVILLE, GOSK
CHIEF EXECUTIVE OFFICER

2 Nelson MIRTHIL
CHIEF FINANCE OFFICER

3 Eddie AH-CHAM
COMPANY SECRETARY

4 Jérôme JAEN
CHIEF EXECUTIVE OFFICER – AGRO-INDUSTRY AND ENERGY

5 Bertrand THEVENAU
CHIEF EXECUTIVE OFFICER – PROPERTIES, RETAIL AND BRANDS

6 Rajiv RAMLUGON
GROUP CHIEF SUSTAINABILITY OFFICER

7 Oudesh SEEBARUTH
HEAD OF CORPORATE FINANCE & TREASURY

8 Josie LAPIERRE
HEAD OF HUMAN RESOURCES

9 Jean-François LOUMEAU
GENERAL MANAGER – PROPERTY & PROJECTS

10 Peter HOUGH
SUGAR DEVELOPMENT EXECUTIVE

11 Christophe TOULET
HEAD OF LEGAL DEPARTMENT

12 Christophe BARBÈS-POUGNET
HEAD OF BUSINESS DEVELOPMENT

13 Kevin PADIACHY
HEAD OF AFRICA DESK

14 Rudley LUTCHMANEN
GROUP FINANCE MANAGER

15 Maurice REGNARD
CHIEF PROCUREMENT OFFICER

16 Avinash DOOKHUN
IT MANAGER

17 Navin MOHUN
INTERNAL AUDIT MANAGER

18 Patrick MAMET
GENERAL MANAGER – AGRICULTURE

19 Jean-Luc CABOCHE
GENERAL MANAGER – MILLING & LOGISTICS

20 Lindsay DAVY
GENERAL MANAGER – REFINERY

21 Jean-Michel GÉRARD
GENERAL MANAGER – POWER PLANT LA BARAQUE (*till August 2022*)

22 Rishi KAPOOR
GENERAL MANAGER – POWER PLANT LA BARAQUE (*As from August 2022*)

23 Frédéric ROBERT
POWER PLANT MANAGER – ST AUBIN

24 Jean-Pierre ROUILLARD
GENERAL MANAGER – DISTILLERY

25 Jean-Laurent ASTIER
GENERAL MANAGER – HOLIDAY INN MON TRÉSOR

04 PERFORMANCE & OUTLOOK

ENERGY

Strategic Objective

As Independent Power Producers contributing 26% of the total national electricity generation, Omnicane's thermal power plants at La Baraque and St Aubin remain committed to providing a reliable supply of electricity to the national grid on a consistent and uninterrupted basis. La Baraque power plant also supplies the different entities of the industrial cane cluster with the steam and electricity required for their operations.

Year under Review

In 2021, the total annual electricity production of both power plants was 865 GWh (2020: 848 GWh) and total electricity exported to the national grid was 770 GWh (2020: 751 GWh). It should be noted that 12.2% (2020: 13.3%) of the total electricity exported was produced from bagasse. Despite the COVID-19 crisis, the two power plants continued to supply electricity to the national grid by ensuring the effective deployment of resources for business continuity. Also, as part of their continual improvement strategy, they have both migrated their Occupational Safety & Health Management System from OHSAS 18001:2007 to ISO 45001:2018. and have already obtained the relevant certification.

Carbon Burn-Out Unit

During the year under review, the Carbon Burn-Out Unit produced 18,615 tonnes of cement additives (2020: 19,113 tonnes) for use in the construction industry. Performance in 2021 was average with the production of 90,688 tonnes of low-pressure steam (2020: 86,909 tonnes) and 3,098 MWh (2020: 3,519 MWh) of electricity, which was used mainly for own consumption and supply to the distillery and refinery.

Outlook

In 2022, Omnicane's power plants are expected to export 770 GWh to the national grid, subject to no major unplanned stoppages. The Biomass Framework is expected to pave the way for the inclusion of other biomass alternatives within our power plants in line with the Government's strategy to increase the share of renewable energy to 60% while at the same time phasing out the use of coal.

AGRICULTURE

Strategic Objective

The strategic objective of Omnicane's agricultural operations is to maximise its sugarcane and sugar yields in the Britannia and Mon Trésor regions while optimising its costs and labour ratio per hectare. The Company is also committed to comply with sustainable agricultural practices while also applying the requirements of the Bonsucro Production Standard.

Year under Review

Sugarcane

During the year under review, the total sugarcane harvested was 190,133 tonnes (2020: 186,859 tonnes) from a total area of 2,270 hectares (2020: 2,304 hectares) in the Britannia and Mon Trésor regions. This was equivalent to a sugarcane yield of 83.77 tonnes/hectare (2020: 81.09 tonnes/hectare) and a sugar yield of 8.2 tonnes/hectare (2020: 8.2 tonnes/hectare). The severe drought which prevailed from January to March 2021, adversely affected sugarcane yield, followed by excessive rainfall from June to August 2021, which in turn impacted the sucrose content.

	2021	2020	2019
Britannia			
Sugarcane harvested, tonnes	**87,831**	82,378	96,254
Area harvested, Ha	**893**	879	870
Extraction Rate, %	**9.36**	9.54	8.99
Mon Tresor			
Sugarcane harvested, tonnes	**102,301**	104,481	113,000
Area harvested, Ha	**1,372**	1,425	1,390
Extraction Rate, %	**10.13**	10.58	10
Total Omnicane			
Sugarcane harvested, tonnes	**190,133**	186,859	209,254
Area harvested, Ha	**2,270**	2,304	2,260

It is also worth noting that in 2021, in line with Omnicane's agriculture mechanisation strategy, 83% of sugarcane harvesting was done mechanically (2020: 80%) using specialised industrial equipment. Green harvesting is favoured owing to the natural benefit of recycling nitrogen back into the plant while keeping humidity in the soil and avoiding weed growth.

Omnicane Agriculture has also optimised its fertiliser application practices by adopting a mix of bagasse ash and Concentrated Molasses Stillage providing an organic source of potassium requirements for the plantations. In 2021, 10,706 tonnes of this organic fertiliser mix were used over 1,562 hectares of land at Britannia and Mon Trésor. Comparatively, 738 tonnes of chemical fertilisers were used in 2021 (2020: 836 tonnes).

In view of optimising sugarcane supply within its factory area, Omnicane is considering synergies to provide cane management services to other corporate planters.

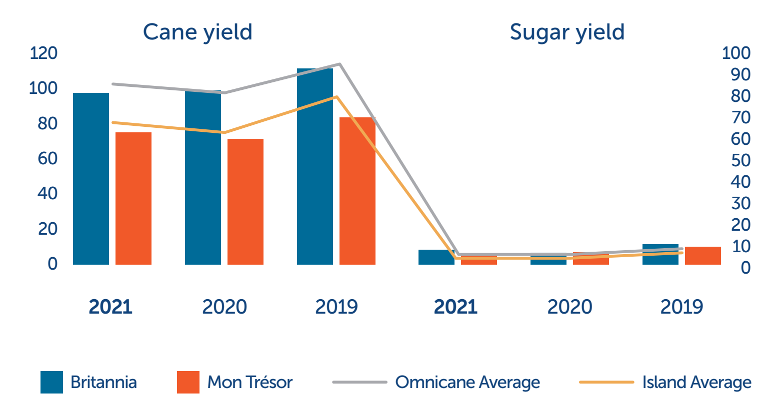
Potatoes

In 2021, 1,462 tonnes of potatoes (2020: 1,424 tonnes) were produced over 70 hectares at Britannia (2020: 54 hectares). The yield was relatively low (21 tonnes/hectare) compared to a normal baseline year which stands at 27 tonnes/hectare. The main reason for this poor yield was severe attacks by bacterial wilt which occurred during winter owing to excessive rainfall. To recall, potatoes are planted between two cycles of cane replantation, and this is very good for the agronomic value of the soil.

Outlook

For the 2022 harvest, Omnicane is expected to produce around 171,000 tonnes of sugarcane, yielding about 17,064 tonnes of sugar, subject to good climatic conditions. Potato production is expected to reach around 1,900 tonnes over 70 hectares of land. The Minimum Guaranteed Price of Rs 38,000 per tonne of potatoes production as announced in the last budget 2022/2023 will help to sustain this activity in the light of increasing operational costs.

Yield Analysis



SUGAR MILLING
SUGAR FACTORY

Strategic Objective

Omnicane's sugar factory plays a pivotal role in the La Baraque cluster by supplying raw sugar to the refinery, bagasse to the thermal power plant and molasses to the distillery. Its strategic objective is to provide safe and reliable products to its customers, hence its ISO 22000:2015 Food Safety Management System, ISO 9001:2015 Quality Management System, ISO 50001 Energy Management System and Bonsucro standard certifications.

Year under Review

During the 2021 crop season, the sugar factory received a total of 885,495 tonnes (2020: 929,511 tonnes) of sugarcane from 12 corporate planters, 2,980 small planters and Medine sugar estate. This resulted in the production of 85,506 tonnes of Plantation White Sugar (PWS), with a total of 18,546 tonnes of sugar accrued for Omnicane Milling Operations Limited (2020: 19,538 tonnes). In addition, the sugar factory supplied 1,696 tonnes (2020: 3,314 tonnes) of bagged Plantation White Sugar (PWS) to the Mauritius Sugar Syndicate (MSS) in 2021.

Performance-wise, the factory's crushing rate in 2021 averaged 6,916 tonnes/day (2020: 6,887 tonnes/day), the sucrose percentage in the sugarcane was lower at 11.37 (2020: 11.58). On a positive note, with improvements made in mill performance in 2021, the total sucrose losses % cane was slightly lower at 1.76% (2020: 1.78%) with loss of sucrose in bagasse % cane being 0.37% (2020: 0.40%).

As far as other performance parameters are concerned, the extraction rate for the 2021 crop year was 9.67 (2020: 9.86%). The Reduced Overall Recovery (ROR), which indicates the overall performance of the factory, was 86.42% in 2021 (2020: 86.0%) For comparison, the island average ROR for the 2021 crop year stood at 86.0%.

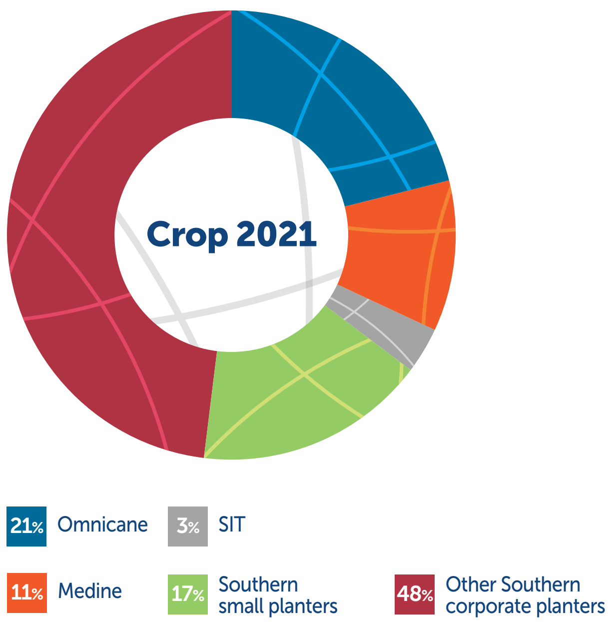
Co-products derived included 35,549 tonnes of molasses (2020: 37,005 tonnes) and 300,504 tonnes of bagasse (2020: 320,288 tonnes).

SUGAR MILLING

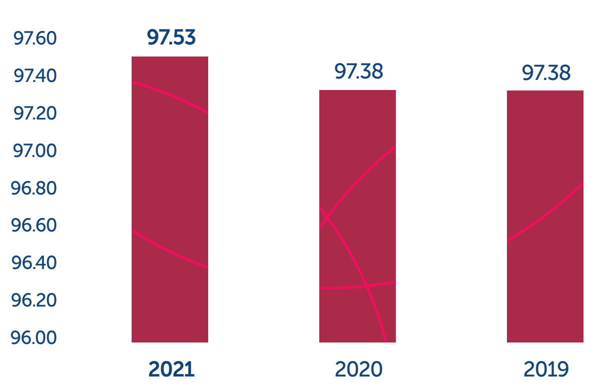
SUGAR FACTORY (CONT'D)

Below are some graphics for the crop year 2021.

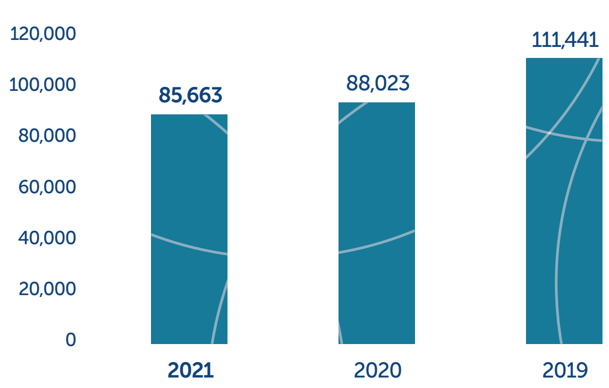
Cane Received



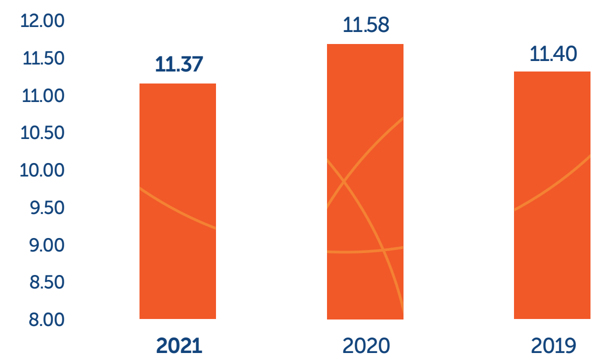
Omnicane Reduced Mill Extraction Final



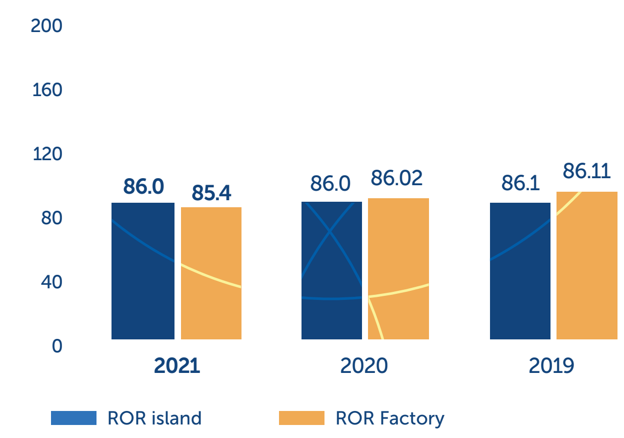
Omnicane Milling
Total Sugar Produced (Tonnes)



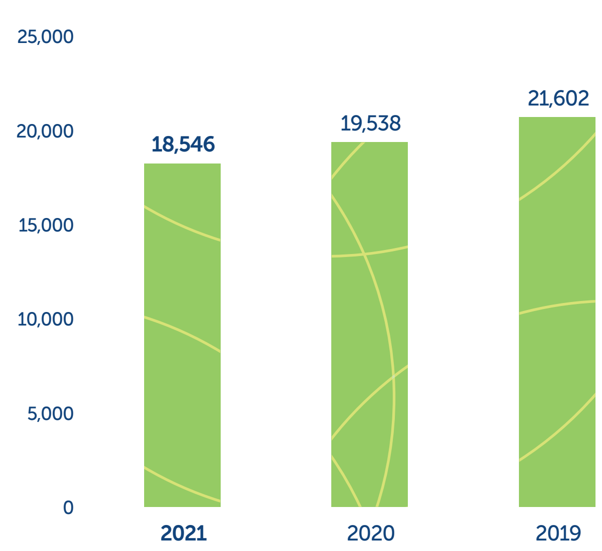
Omnicane Milling
Sucrose % Cane



Omnicane Milling
ROR La Baraque v/s Island Average



Omnicane Milling
Sugar Accrued (@98.5 Pol) as Miller (Tonnes)



Cane Management Service

In 2021, the Planter's Advisory Department provided total and partial cane management services to 85 planters (2020: 89 planters) in the Southern region and cane advisory to another small group of small planters. The slight decrease is due to the decision of some planters of the upper regions (La Flora, upper Britannia) to stop cultivating their sugarcane fields owing to low yields. On a positive note, we have received further requests from small planters of lower regions having better cane yield capacity to sign Total Cane Management contracts with the Planter's Advisory department. In the coming years, a 5% increase in cane management services is expected.

Outlook

In 2022, the sugar mill is expected to crush around 875,000 tonnes of sugarcane. While better sugar prices may be a motivating factor for increased supply of sugarcane, the rise in prices of materials and freight (due to the conflict between Russia and Ukraine) can have a negative impact on the mill's revenue stream in 2022.

SUGAR MILLING
REFINERY

Strategic Objective
Omnicane's refinery is the only producer of white refined sugar in Mauritius. Its strategic objective is to be a competitive and qualitative regional refiner. Its objective is also to maximise the production capacity of 260,000 tonnes by refining in addition to locally produced raw sugars, imported raws while meeting client requirements and respecting Rules of Origin according to the destinaton of shipments.

Year under Review
In 2021, Omnicane's sugar refinery produced a total of 214,533 tonnes of white refined sugar (2020: 156,255 tonnes), which is an all-time high since starting operations in 2009. There was an increased demand for bagged sugar from customers, which represented 87% of total production during the year under review. Furthermore, there was also a marked increase in the local sale of refined sugar amounting to 21,555 tonnes in 2021 (2020: 4,644 tonnes).

During the year, the MSS solicited the refinery to produce two additional types of products: white refined sugar ICUMSA30 for specialty beverages and the production of extra fine sugar for some niche industrial markets.

As part of the refinery's commitment to the BRC Food Safety standard, the zero-complaint target relating to food safety issues was achieved. Following recertification in June 2021, the refinery has committed to embrace the unannounced BRCGS audit scheme as from year 2022. Furthermore, the refinery has renewed its Halal accreditation from the Halal Council of Australia. The team's constant endeavour to maintain a high standard of quality and safety of the final products, with enhanced focus on quality and food safety culture and continual improvement throughout the year 2021, resulted in positive feedbacks from major clients.

Outlook
In 2022, the refinery is expected to produce 185,000 tonnes of white refined sugar. It is is also expected to be certified to the VIVE Sustainable Supply Programme by Czarnikow.

Retail & Food Service Activities
In 2021, the refinery extended its range of Dina Life sugar products by adding Castor, Demerara and Light & Dark Muscovado sugars in premium packaging including novel, resealable doypacks, particularly for the Muscovado sugars.

The Dina Life Low GI and Antioxidant sugars sold in cube format attracted new customers in 2021, owing to their aroma and flavour coupled with their additional health benefits.

Sugar stick sales improved with the resumption in tourist arrivals and the launch of production of branded sticks for Beachcomber Resorts & Hotels.

Dina Care hand and multipurpose sanitiser sales improved in all formats from 50ml personal sprayers for individuals to 5-litre packs for corporate business. Our non-sticky, easy-to-use product has a loyal and growing customer base. All the Dina by Omnicane range is presented in recyclable packaging.

Dina by Omnicane was launched on social media to support the three sub-brands, Dina Sugar, Dina Life and Dina Care. In addition, product demonstration and sampling took place in stores and shopping malls alongside the Made in Moris activation campaign.

BIOETHANOL DISTILLERY

Strategic Objective

With an annual production capacity of 24 million litres of bioethanol, the distillery's strategic objective is to be a reliable supplier of bioethanol to its clients with focus on value addition of its main product, maximising sales revenue, while embracing sustainability in its operations.

Year under Review

In 2021, the distillery produced 20.3 million litres of bioethanol (2020: 17.8 million litres) using 69,829 tonnes of molasses (2020: 61,094 tonnes) received from La Baraque sugar mill and other local suppliers. Its main clients during the year under review were in Mauritius, Kenya, South Africa, Madagascar and Reunion Island.

The distillery's production in 2021 was affected by a reduced sugarcane harvest, which drove the molasses supply down. However, it benefited from a stock accumulated from the previous year due to the COVID-19 pandemic. Export of bioethanol was negatively impacted by erratic ship movements resulting in disruption in delivery to a few clients. With the distillery now being Fairtrade and Bonsucro EU RED II certified, new market opportunities are opening up.

Year	Molasses used (tonnes)	Bioethanol produced (litres)
2021	**69,829**	**20,283,000**
2020	61,124	17,880,000
2019	62,181	18,890,000

Outlook

In 2022, the distillery is expected to produce around 17.5 million litres of bioethanol subject to the availability of sufficient molasses. There are also interesting market opportunities for production of light rum following demand from European customers.

LOGISTICS

Strategic Objective

Through the utilisation of its available fleet of vehicles maintained in good running conditions, the strategic objective of Omnicane Logistics' operations is to provide secure, efficient, and tailor-made transport services to the Group as well as to external clients.

Year under Review

In 2021, Omnicane Logistics transported a total of 1,174,675 tonnes (2020: 1,078,234 tonnes) of materials including sugarcane, sugar, coal, coal ash and cement additives for the Group. This increase is mainly due to the higher tonnage of sugar transported in 2021 as shown in the table below.

During the year under review, the Company's tractors also transported chopped sugarcane from Omnicane's agricultural operations. This has optimised the fleet of vehicles while reducing costs for Omnicane Agriculture's in-field transportation of sugarcane.

Year	Sugar (tonnes)	Coal (tonnes)	Sugarcane (tonnes)	Other products (tonnes)	Total (tonnes)
2021	**348,141**	**408,061**	**367,618**	**50,855**	**1,174,675**
2020	235,115	399,084	387,787	56,248	1,078,234
2019	230,058	375,450	476,597	69,118	1,151,223

Outlook

The significant increase in the price of diesel since early 2022 will have an impact on our cost of operations. Despite these external factors, Omnicane Logistics is exploring innovative ways to optimize the transport operations. Hence, during crop 2022, it intends to transport chopped sugarcane from certain fields to La Baraque in containers. Unloading will be carried out through a tilting platform at La Baraque.

HOLIDAY INN
MON TRÉSOR

Strategic Objective
In line with the IHG brand standards, the strategic objective of Holiday Inn Mon Trésor is to maintain its reputation as a trustworthy hotel service provider and a reliable business meeting point while exceeding customer satisfaction.

Year under Review
Holiday Inn Mauritius Mon Trésor was enlisted as a quarantine facility and restricted area by the Ministry of Health & Wellness effective from March 5, 2021. Contact cases were accommodated at the hotel for quarantine purposes for a period of 14 days. Despite the difficult situation in the country, this provided an opportunity to tap into unexplored segments, e.g. the shipping sector whereby crews were subject to quarantine at Holiday Inn Mon Trésor. The situation prevailed until late September 2021, whereby a request was made to terminate this contract so that the hotel could in turn honour its contractual agreements with airline companies from 01st November 2021.

Following a reduction in business travels due to precarious sanitary conditions, the hotel implemented a marketing strategy strongly focused on the local market to be rolled out upon normal reopening. However, several cancellations were noted for the end-of-year celebrations due to sanitary restrictions imposed by the Government of Mauritius limiting gatherings to a maximum of 50 people.

Nevertheless, the COVID-19 pandemic has boosted the hotel's commitment to continue delivering a trustworthy and reliable service and it is now geared to regain normal momentum through aligning with the new normal and emerging trends with borders fully reopened.

Outlook
The aggressive campaigns underway in major tourist markets and in Mauritius have given the hotel more visibility going forward. Holiday Inn Mon Trésor is well prepared for the challenges that lie ahead and is ideally positioned to continue targeting cabin crews and transit clients but also business people coming to Mauritius for meetings and conferences.

PROPERTY DEVELOPMENT

Strategic Objective

Following the sale of Mon Tresor Smart City to the Mauritius Investment Corporation (MIC), the strategic objective of Omnicane's property development is focused on the development and sales of morcellements and the Mon Tresor Business Park.

Year under Review

Business Park

Comprising of 50 land plots under a 13-hectares commercial morcellement development, the Mon Tresor Business Park managed to secure twenty plots as at 2021 which was less than expected following re-opening of international borders in October 2021. Nevertheless, the project has reached a level of reservation which allowed it to complete its infrastructural works. The Development Permit and signature of deed of sales are expected to occur by the third quarter of 2022.

Mon Trésor Business Gateway

Following the expression of interest submitted to the CEB for a PV farm of 572 kW to power the Mon Tresor Business Gateway under the Smart City scheme, Omnicane is currently awaiting confirmation from the CEB to proceed with this sustainable project.

Land Development Projects outside MTSC

A first batch of deeds of sales for the 5.76 hectares (including 121 plots) La Colline residential morcellement project was signed in the second quarter of 2021. Another batch of deeds of sales have been signed as at July 2022.

Concerning the Highlands sugar mill morcellements consisting of 44 plots over 3.2 hectares, its first batch of deeds of sales was signed in January 2021 and the rest was signed in mid-2022.

In addition, the Greenview residential morcellement project comprising of 982 plots over 50 hectares, achieved a reservation level of 100% in 2021 and construction works were completed by end of 2021. Its morcellement permit is being awaited for the third quarter of 2022 which will enable the signature of the deeds of sales.

Other Prospects

Omnicane is currently considering further land development in the South for high-end markets. Necessary studies and related Master plans are being prepared for a Value Centre, residential, agricultural, and light industrial morcellements and other potential projects to valorise these sites.

OMNIHYDRO

Project Description and Objective

Omnihydro Ltd, incorporated in Rwanda is a subsidiary of Omnicane Limited where the latter owns 98.01% of the shareholding. Omnihydro was set up to develop, construct and operate a 5MW Hydropower plant for a period of 25 years on the basis of a Power Purchase Agreement signed with the national utility company as off taker, the Energy Utility Corporation Ltd.

This hydropower plant is of the "run-of-river scheme" type where the flow of two rivers, Mushishito and Rukarara respectively are deviated through an intake structure and then channelled through buried and overhead conduits to a common powerhouse. The water is then rejected downstream the tailrace of the Powerhouse to continue its way down the Rukarara river. The Mushishito segment consists of one 2MW Pelton turbine whilst and the Rukarara segment consists of two 1.5 MW Francis turbines, both totalling 5 MW with an annual energy production of some 26.5 GWh.

Based on present electricity consumption figures, the plant is expected to contribute to around 5% of the total national demand for Rwanda. In addition, the hydropower plant is expected to avoid 14,500 tonnes of CO2 which is equivalent to tree plantations over 1000 hectares of land per year.

Year under Review

The Mushishito segment has been in operation since May 2019 whilst the Rukarara segment started its commercial operations in February 2022. The construction works throughout 2020 and 2021 have proved to be very challenging with respect to the repetitive sanitary lockdowns, curfews, major disruptions in the global supply chain, logistics crisis and travel restrictions. The result of all these challenges have delayed
the completion of the works and have increased the project cost.

Outlook

The hydropower plant was commissioned in February 2022 and officially launched by the Honourable Prime Ministers of Mauritius and Rwanda in June 2022. The Hydropower plant is expected to export 24.16 GWh to the national grid for period 2022.

05 KEY CAPITALS

FINANCIAL CAPITAL

103-1 | 103-2 | 103-3

The main financial objective in 2021 remained the deleveraging of the Group to a more reasonable level. This was partly achieved during the year with the proceeds received from the sale of Mon Trésor Smart City to the Mauritius Investment Corporation Ltd (MIC) for Rs 2.4 billion. The second tranche of the transaction, which comprises the sale of several land plots in the Mon Trésor and Britannia regions, was completed in February 2022 for Rs 2.1 billion. After the MIC transaction, the Group gearing improved from 57.5% in December 2021 to 53.9% in March 2022.

The operational results of the Group also showed much improvement in 2021 while the bottom-line result was affected by the negative impacts of the coal price increase and impairment adjustments related to the pandemic.

Completion of the Financial Restructuring Plan

After completion of the second tranche of the MIC transaction in February 2022, the Group continued its deleverage with the early repayment of its bonds. The remaining debts of the Company were then restructured through aligning repayment terms with the forecasted cash flows for the coming years. The whole exercise was completed in April 2022 and the Group now has a healthier cash flow, which caters for its operational needs as well as future expansion projects.

Group Balance Sheet

The Group continued the review of its Balance Sheet in the light of the COVID-19 pandemic. After more than two years of pandemic, spill overs from the Russian Federation's invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, with global growth now expected to slow to 2.9% in 2022.

Based on a detailed and prudential assessment of all its financial assets performed at the end of the financial year, the following adjustments were accounted for:

Impairment of Property, Plant & Equipment – Rs 170.6 million

This impairment is related to higher costs incurred in the final phase of the hydro project in Rwanda. Management made a prudential assessment of the investment in this project by comparing the NPV of future cash flows to the carrying value in the financial statements.

Impairment of Business Park – Rs 34 million

With the current economic climate, particularly in the Property sector, the timing of expected sales was thoroughly reviewed for the Business Park morcellement, located in the Mon Trésor Smart City area, next to the Holiday Inn Mauritius Mon Trésor hotel. It comprises several land plots earmarked for the development of offices and light industries. As the airport and annexed activities are expected to take a longer period of time to reach cruising speed, this could delay the timing of expected sales for the full project.

Impairment of Investment in MAREF – Rs 41.6 million

The Group has a % stake in MAREF 1 and MAREF 2, and together these companies own the Mon Trésor Business Gateway, which houses Omnicane's Headquarters and the annexed basement/parking facility. Due to the slowdown of the economy and over-supply of office rental space on the island, the carrying value of the building is lower than the recoverable amount.

Revamping our Reporting Framework and New ERP Implementation

The Group is now moving from its traditional financial reporting tool to a more strategic management reporting framework in accordance with the reporting requirements of the business drivers.

In parallel, the Group has decided to part ways with its old ERP, which was more geared towards the sugar industry and replace it with a modern and dynamic ERP which clearly fits the new reporting framework being introduced. Oracle NetSuite was selected in early 2022 and will be implemented in two phases. The first one in 2022 relates to the financial reporting and procurement modules and the second phase in 2023 will focus on the manufacturing, production, human resources and business intelligence modules. This new tool will contribute significantly to the Group's digital transformation journey.

Financial Guidelines

One of the milestones of Omnicane 2.0 is the setting up of financial guidelines to articulate the limits and boundaries within which each cluster should operate in terms of gearing, investment, and dividend payout. The exercise has already started and will help establish a financial discipline, enabling each cluster to operate in a predefined framework in line with the Group's financial strategy.

To further improve accountability for these guidelines and achieve performance, the Group is working on a new corporate structure that will give more flexibility and agility to raise capital and onboard new strategic partners. In addition, each entity of the Group will have the right capital structure so that it can be financially autonomous.

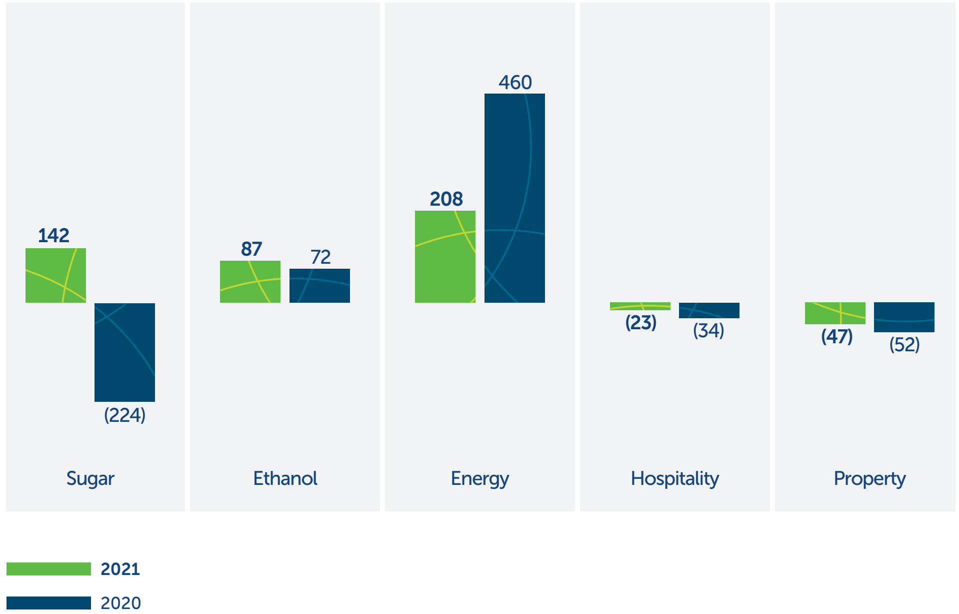
Value-Added Statement

201-1

	2021 Rs'000	2020 Rs'000	Restated 2019 Rs'000
Direct economic statement generated			
Group turnover	**5,378,455**	4,469,800	4,552,712
Income from investments	**8,049**	9,457	184,244
Production costs	**(4,052,584)**	(2,946,910)	(3,312,855)
Total direct economic value generated	**(1,333,920)**	(1,532,347)	1,424,101
Wealth distributed			
To employees as salaries, wages and other benefits	**726,632**	786,966	718,683
To lenders of capital as interest	**545,610**	629,245	664,404
To shareholders as dividend	**-**	-	16,800
To government as taxation	**52,402**	103,059	20,624
To communities as corporate social responsibility	**9,276**	13,077	3,590
Total wealth distributed	**1,333,920**	1,532,347	1,424,101
Wealth reinvested			
Retained loss	**(902,812)**	(3,056,241)	(1,145,026)
Depreciation	**533,251**	546,077	694,612
Total wealth reinvested	**-**	-	-

FINANCIAL CAPITAL (CONT'D)

Overall Review of Financial Performance 2021
Operation Profit/(Loss)



Operating profit/(loss)	Dec 2021 Rs M	Dec 2020 Rs M	Variance Rs M
Sugar	**142**	(224)	366
Ethanol	**86**	72	14
Energy	**208**	460	(252)
Hospitality	**(23)**	(34)	11
Property	**(47)**	(52)	5
Total	**366**	222	144

Operating Profit/(Loss)

Sugar & Ethanol

The Sugar segment posted an operating profit of Rs 142 million compared to an operating loss of Rs 224 million in 2020. These improved results were fuelled by an increase in sugar price from Rs 12,226/T to Rs 18,300/T, principally due to the additional Rs 3,300/T received as remuneration from bagasse used to produce electricity, better market conditions and the depreciation of MUR against EUR. The higher sugar price also impacted positively the fair value of standing canes for an amount of Rs 23 million. In addition, the crop year 2020 was declared an event year and a compensation of Rs 68 million was accounted for in 2021.

The Ethanol segment posted better results for the financial year 2021 on the back of greater volumes sold in higher value-addition markets.

Energy Segment

The Energy segment posted reduced operating profit of Rs 208 million compared to Rs 460 million in 2020. The results were adversely impacted by the price timing difference in purchasing and invoicing of coal. This difference was more important in 2021 due to the increase in the average price of coal from USD 94/T to USD 130/T.

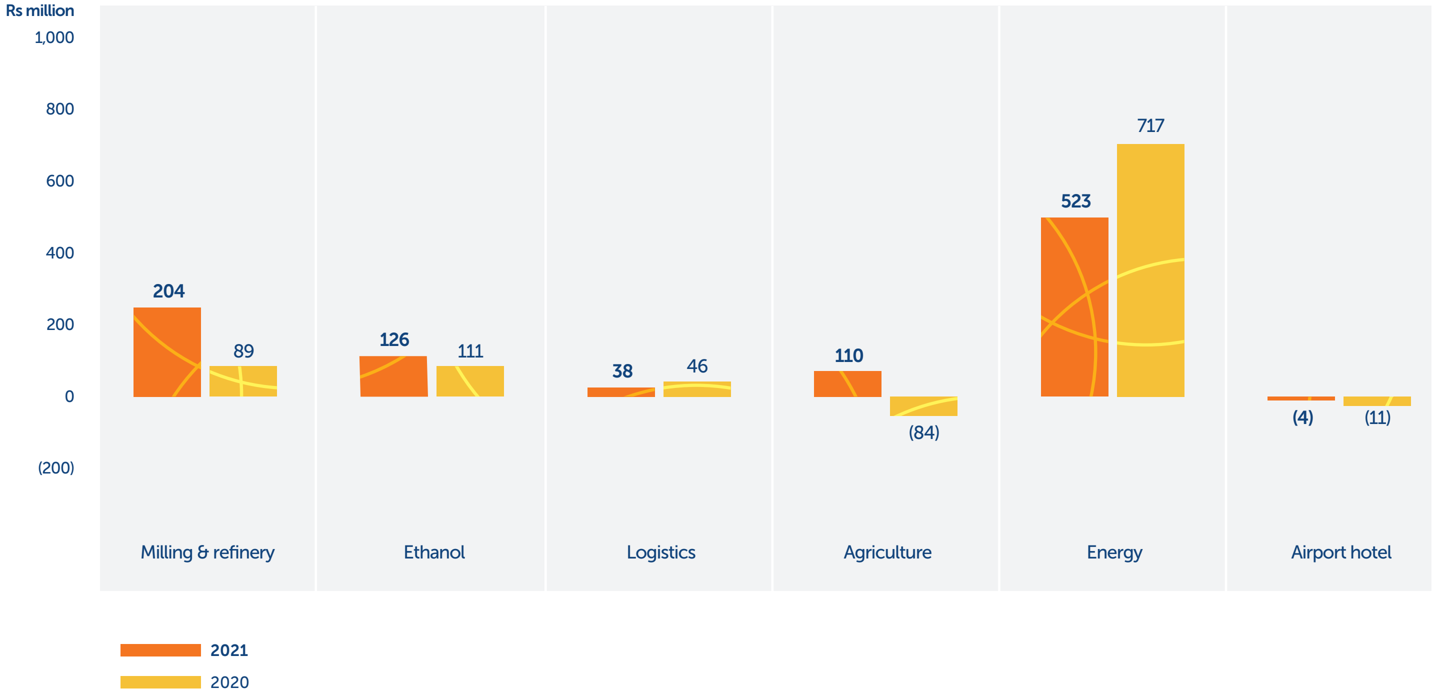
Hospitality Segment

The hotel operated as a quarantine facility up to October 2021 with an increased occupancy rate from 27% to 32% and this together with the Wage Assistance Scheme contributed to a reduced operating loss by Rs 10 million.

Property Segment

Property results improved by Rs 6 million due to lower project expenses incurred in 2021.

Operational EBITDA



Performance KPIs

	Sugar %	Ethanol %	Energy %
Operating margin	10%	17%	6%
EBITDA margin	22%	24%	16%

**The Hospitality and Property segments were excluded in the above analysis as figures were distorted following the pandemic effect.*

Finance Costs

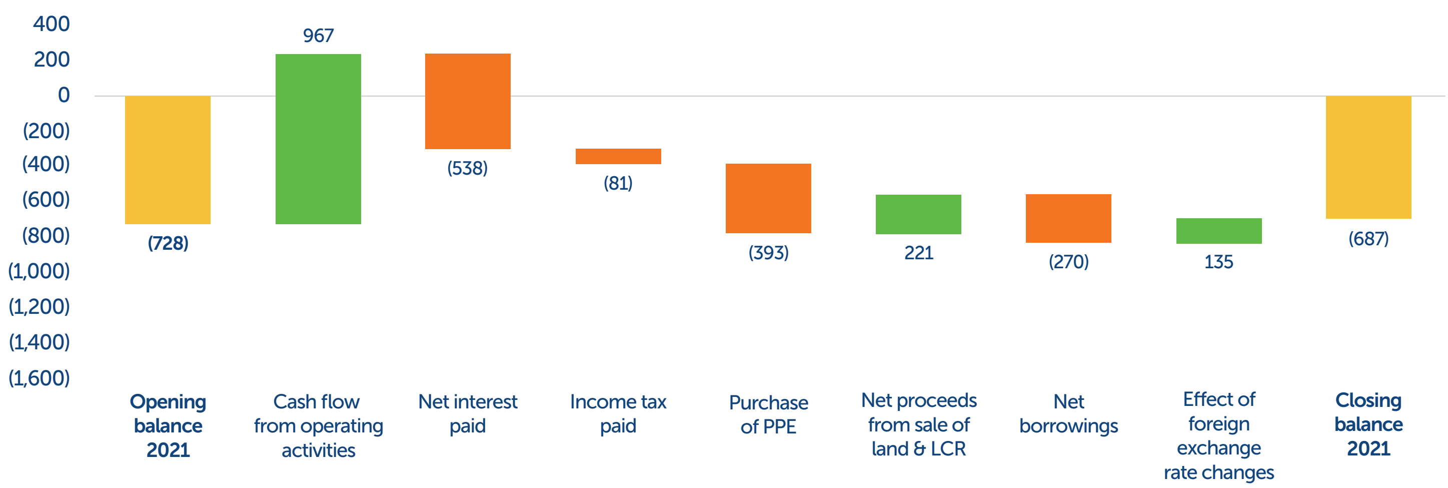
The Group realised the first part of the MIC transaction with the sale of the Mon Trésor Smart City for an amount of Rs 2.4 billion in June 2021. The net proceeds of this sale were fully used to repay bonds which carried a higher cost of capital. This contributed to the reduction of finance costs by Rs 83 million in 2021.

Financial Ratios

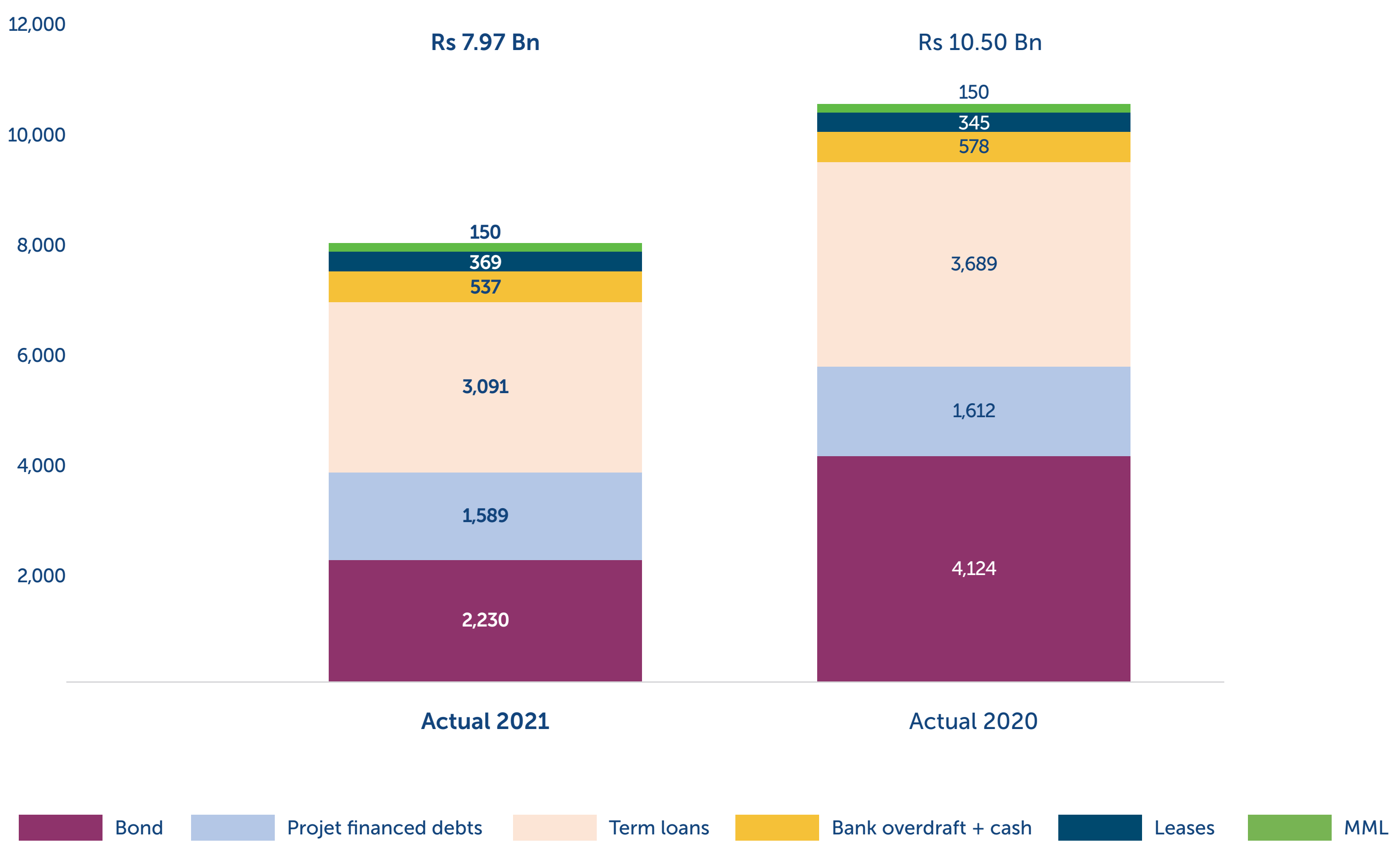
A loss per share of Rs 13.47 (2020: Rs 45.61) was recorded for the financial year, mainly due to the above impairment adjustments. The Net Asset Value per share stood at Rs 87.95 (2020: Rs 98.78). The Group's cash and cash equivalents improved by Rs 41 million for the year inclusive of foreign exchange effects.

FINANCIAL CAPITAL (CONT'D)

Omnicane's Group Cash Flow Evolution from 2020 to 2021



Omnicane's Group Net Debt



103-1 | 103-2 | 103-3 | 203-1 | 203-2

Outlook

The global economy has taken a blow with the Russia-Ukraine war outbreak while the world is still recovering from a major pandemic. Production costs in our La Baraque cluster increased with the rise in the price of imported raw materials. Fortunately, sugar prices on our main market have gone up with European sugar refineries facing increased cost of production due to the rise in fuel and related costs.

Based on Omnicane's 2022 financial forecasts, it is expected that the Group will be back to normal profitability.

Sugar and Ethanol Segment

As outlined above, the predictions for the crop year 2022/23 are very encouraging for the industry with the favourable conditions in our traditional markets following the increase in commodity prices on the world market. If this trend is maintained, sugar price should be higher than in 2021. However, fertilisers and other inputs have increased considerably as Russia and Ukraine, being important producers, have seen their exports disrupted due to sanctions and consequences of the war. This will impact the cost of production during the current financial year and mitigating measures are being considered to limit the impact on the financials for our agricultural operations.

In respect of non-originating raw sugar (NOS) imported for refining at Omnicane's Sugar cluster, the world market refined sugar premium has improved, opening the opportunity to increase the volume of NOS production. The Group, in partnership with the Mauritius Sugar Syndicate, now has a sound knowledge of more remunerative regional markets in which Mauritian refined sugar is highly demanded. The main challenge remains the containment of freight and transport costs to remain competitive.

With the fall in the amount of cane harvested coupled with an expected lower sugar extraction rate, molasses supply will also be affected in 2022. The distillery will operate for a total of 8 months in the 2022 financial year and will have sufficient molasses stock in December to keep operations running for the first half of 2023.

Overall, we expect the cane and ethanol segment to improve its EBITDA in 2022 on the back of higher sugar and ethanol prices, and refining service fee.

Energy Segment

The timing difference between coal invoicing to the CEB has had a significant impact on the financials of our power plant in 2021. However, under the Power Purchase Agreement, the energy costs are passed through to the offtaker and as such, the increase in coal price should not materially impact the segment in 2022. The power plants though are expected to operate as planned and in 2023, the La Baraque plant shall complete the final settlement of its debt.

The Group inaugurated its hydroelectric power plant in Rwanda in June 2022. The plant was successfully commissioned in early February 2022 and now runs with both tranches fully operational. When reaching a full year of operation, it is expected to generate an EBITDA of about USD 2.5 million. The project has a gearing ratio of around 40% and the debt part amounting to some USD 20.3 million has been financed by a loan from the Mauritius Commercial Bank Ltd (MCB).

The energy cluster is expected to be back to normal profitability in 2022.

Hospitality Segment

With the increase in air traffic and growth in the arrival of tourists in the country amid relaxing of COVID-19 restrictions, the hotel shall resume activities to a near normal state by the end of 2022.

Results for 2022 will still be impacted by the pandemic but with improved occupancy rates, better prospects are expected for 2023.

Property Cluster

Infrastructure work at Greenview, La Colline and Highlands Central morcellements were successfully completed during the year. In respect of Greenview, which is the largest project with some 950 land plots, we now await the delivery of the Morcellement Permit to execute the deeds of sale. The total profit generated by this project of around Rs 241 million will be partly accounted for in 2022, depending on the timing for obtaining the morcellement permit which will in turn trigger the execution of the deeds of sale.

The Group is reviewing its strategy for future land development under the leadership of the new CEO of the Property cluster. This will take into consideration the cash needs of the Group to further deleverage in the coming years and a medium- to long-term view for the remaining land with high potential for property development.

Depending on progress of the execution of the deeds of sale for the Greenview morcellement, the cluster is expected to generate improved results in 2022

Gearing and Finance Costs

The Group's gearing, which stood at 57.47% before the MIC transaction, was reduced to 53.93% as at 31 March 2022. At this debt level, the net debt-to-EBITDA ratio based on the 2021 EBITDA is at 11 times; with the improvement of operational results and property sale, this ratio is expected to the around 5.5 times at the end of 2022.

Finance costs which stood at Rs 546 million for the Group post-deleveraging will stand at around Rs 342 million in 2022. This will contribute significantly to improving the Group's bottom-line results.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

MANUFACTURED CAPITAL

Manufactured capital is an important capital resource for Omnicane consisting of the materials, processes and fixed assets that contribute to the good running of operations and productivity.

Efficiency and innovation are among the core business values of Omnicane, which has invested in efficient and innovative equipment since 2009 with the restructuring of its La Baraque cluster operations. The diffuser technology at the sugar mill, the bagasse-coal cogeneration plant, the upgraded sugar refinery, the bioethanol distillery, warehouses and Carbon Burnout unit are a few examples of the Company's investment in manufactured capital in the last years to improve the efficiency and productivity of its various cluster operations.

The most recent investment in manufactured capital is the 5MW hydroelectric power plant in Rwanda, which consists in supplying some 175,000 families in the country with clean, renewable, and affordable electricity. This clearly demonstrates Omnicane's commitment to develop sustainable business ventures in the African region through renewable energy investment.

Despite the COVID-19 situation which prevailed during the year under review, Omnicane remained committed to managing its diverse operating assets to high standards of performance, availability and efficiency by ensuring adequate preventive maintenance programmes in its different operations.

INTELLECTUAL CAPITAL

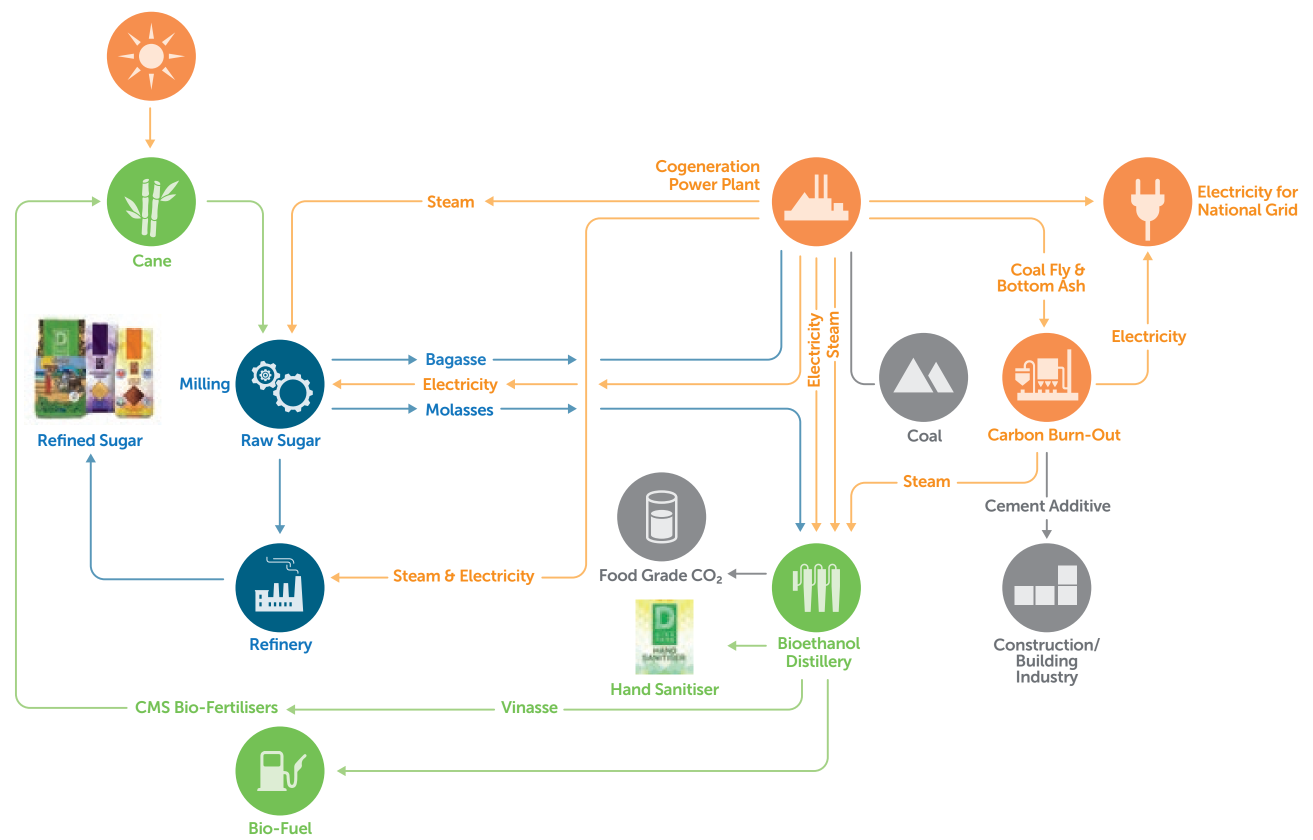
Omnicane recognises that its intellectual capital, including human, relational and structural capitals, highly contributes to creating wealth, value addition and driving innovation, which are a catalyst for the Company's success and business continuity. We value the skills, education, and ideas of our employees while encouraging their continual learning. We also maintain valuable and transparent relationships with our key stakeholders. At Omnicane, we strive to establish and maintain the necessary organisational structure, processes, databases and intellectual property to support our human and relationship capitals.

Information Technology

In line with its digital transformation strategy, Omnicane has recently invested in the development of a new modern and dynamic Enterprise Resource Planning (ERP) software. This tool will be deployed in two phases in 2022 and 2023, and will focus on optimising manufacturing, production, human resources, and business intelligence.

NATURAL CAPITAL

Omnicane recognises the value of its natural capital which enables it to attain efficiency, sustainability, as well as managing value chain risks. Omnicane's supply chains and ecosystem services provide a variety of renewable and non-renewable resources to its operations. The circular economy model of the La Baraque cluster translate Omnicane's mission to optimise all resources at their disposal for the benefit of its stakeholders.



Materials Management

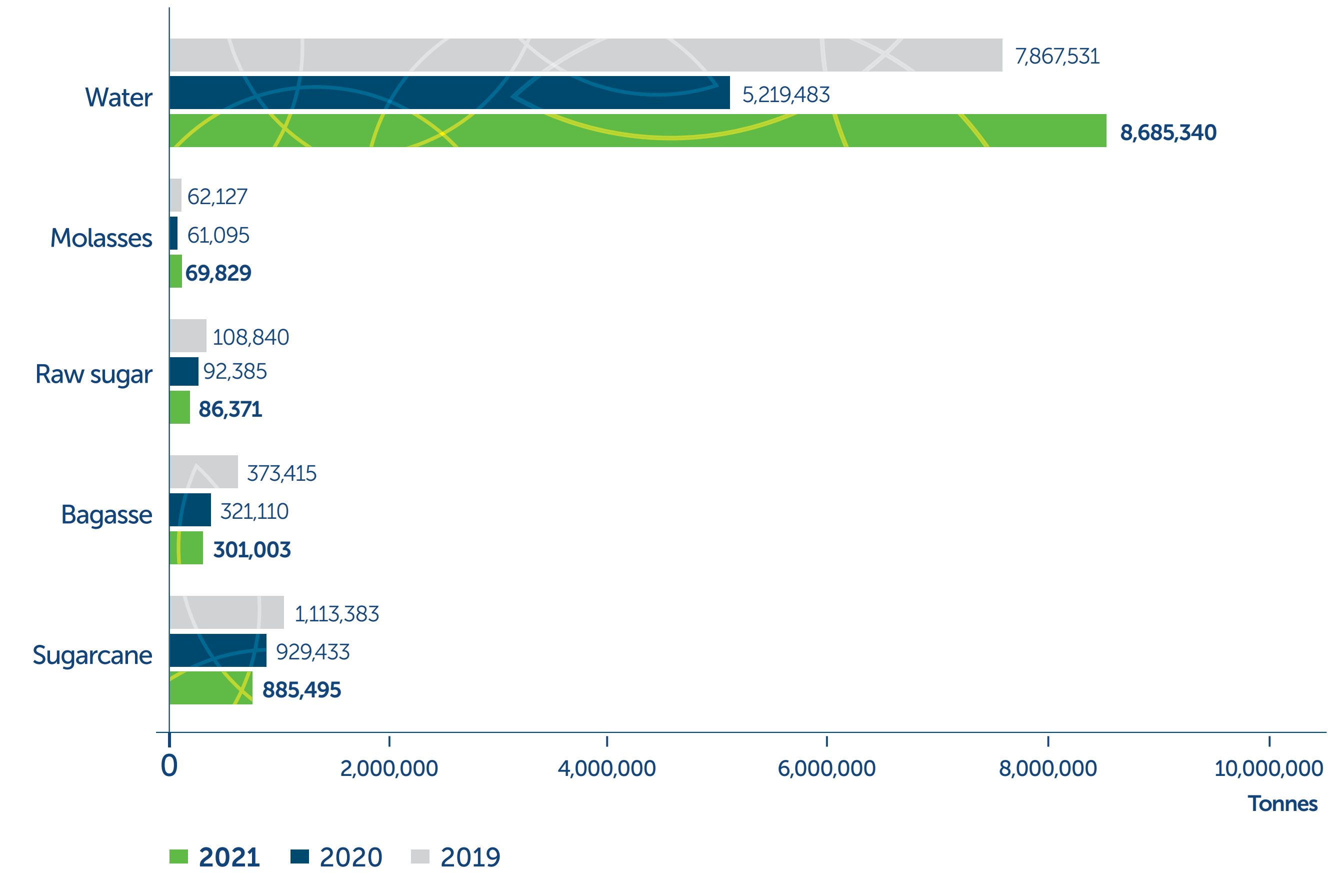
103-1 | 103-2 | 103-3 | 301-1

The concept of sustainable materials management is depicted in the circular economy model of the La Baraque cluster. The closed looped operations at La Baraque promote sustainable materials use while taking collaborative actions to reduce adverse environmental impacts and preserving natural capital throughout the life cycle of materials for better economic efficiency and social equity.

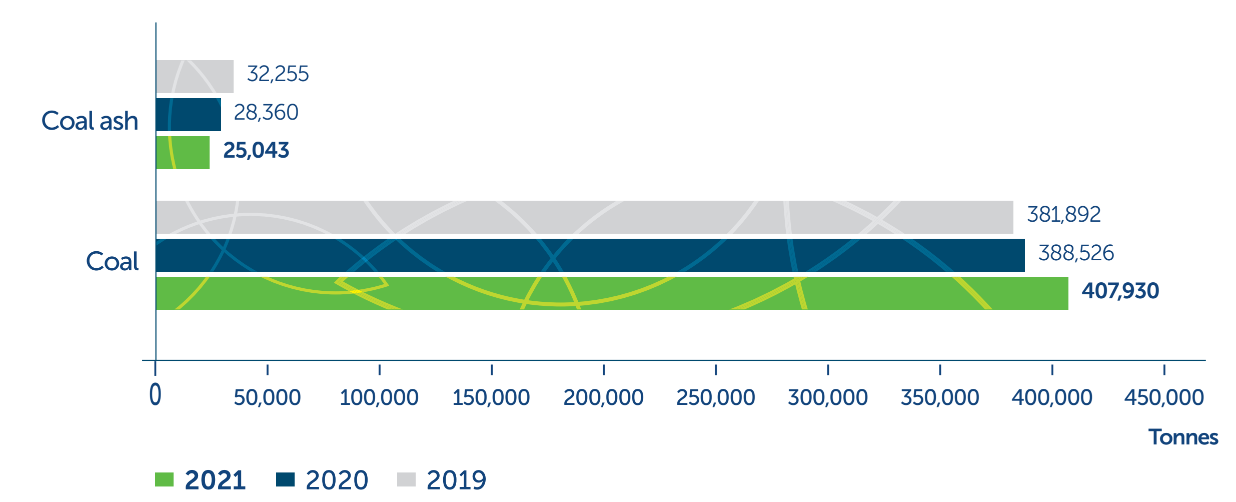
The different materials used in Omnicane's operations have been categorised into renewable, non-renewable, direct, and indirect. Renewable direct materials consist of sugarcane entering the sugar factory, raw sugar used in the refinery, bagasse used in the power plant, molasses used in the bioethanol distillery and water used in the different process operations. Non-renewable direct materials consist mainly of coal used by both power plants at La Baraque, and St Aubin and coal ash used as raw material in the Carbon Burn-out plant.

During the year under review, the total amount of renewable direct materials used was 10,028,038 tonnes (2020: 6,623,506 tonnes) whereas the total amount of non-renewable direct materials used was 432,973 tonnes (2020: 416,886 tonnes). This overall increase is mainly attributed to the higher consumption of process water used in our operations as a result of more operating hours at the mill, refinery, distillery and La Baraque power plant. It should be noted that in 2020, the number of operating hours were less as a result of the lockdown and COVID-19 restrictions.

Renewable Direct Materials



Non-Renewable Direct Materials



NATURAL CAPITAL (CONT'D)

Renewable indirect materials consist of Concentrated Molasses Solids (CMS) and carbon dioxide. In 2021, 72,174 tonnes of renewable indirect materials (2020: 62,304 tonnes) were supplied.

Non-renewable indirect materials include pesticides, herbicides, chemical fertilisers and industrial chemicals used in our operations and these summed up to 2994 tonnes in solid form and 20,987 litres of chemicals and fertilisers in liquid form in 2021 (2020: 2,740 tonnes and 21,025 litres). It is also worth noting that in 2021, 10,706 tonnes of bagasse ash and CMS (2020: 11,587 tonnes) were used as organic fertilizers in the sugarcane fields.

	2021	2020	2019
Pesticides, tonnes	**2.99**	1.7	2.7
Pesticides, litres	**1,114**	976.44	1,078
Herbicides, tonnes	**3.4**	4.7	5.6
Herbicides, litres	**17,616**	17,860.64	20,320
Fertilizers, tonnes	**854.3**	992	953.6
Chemicals, tonnes	**2,133**	1,740.99	1,886.6
Chemicals, litres	**2256.7**	2,188.25	7,952.85

Co-Products

In response to their demand, 57 tonnes of scum (2020: 430 tonnes) were distributed to small planters for use as bio-fertilisers for replantation in their sugarcane fields. On the energy side, 24,876 tonnes of coal ash (2020: 28,360 tonnes) were recycled by the Carbon Burnout unit for subsequent use as cement additive for the construction industry.

Energy Management

103-1 | 103-2 | 103-3 | 302-1 | 302-3 | 302-4

As one of the main Independent Power Producers in Mauritius, Omnicane is fully supportive of the Government's vision to achieve 60% of renewable energy production on the island and the National Biomass Framework. In 2021, the Company started trials on burning biomass in its two power plants at La Baraque and St Aubin with the collaboration and support of Albioma, its main stakeholder, involved in biomass based renewable energy projects in the region.

Supported by an effective ISO 50001 Energy Management System, Omnicane's sugar factory achieved process energy savings both in terms of specific steam and electricity consumption over the last few years as depicted in the table below. There was also an increase in the refinery's relative steam consumption as multiple shutdowns impacted on the steady-state operation of the refinery.

Renewable source/GJ	2021	2020	2019
Direct primary energy purchased	**-**	-	-
Plus direct primary energy produced	**1,336,031**	1,278,184	1,657,334
Minus direct primary energy sold	**(338,019)**	(358,853)	(427,791)
Total direct energy consumption from renewable sources	**998,012**	919,331	1,229,543

Non-renewable source/GJ	2021	2020	2019
Direct primary energy purchased	**149,104**	123,740	114,660
Plus direct primary energy produced	**3,658,923**	3,420,135	3,340,653
Minus direct primary energy sold	**(2,434,346)**	(2,348,164)	(2,357,042)
Total direct energy consumption from non-renewable sources	**1,373,681**	1,195,711	1,098,271

Sugar factory	2021	2020	2019
Specific steam consumption kg/tonne sugarcane crushed	**384**	398	386
Specific electricity consumption kWh/tonne sugarcane crushed	**21.5**	21.9	21.4

Refinery	2021	2020	2019
Specific steam consumption kg/tonne refined sugar produced	**1.33**	1.06	1.09
Specific electricity consumption kWh/tonne refined sugar produced	**69**	69	67.6

Distillery	2021	2020	2019
Specific steam consumption kg/litre bioethanol produced	**5.6**	5.9	5.8
Specific electricity consumption kWh/litre bioethanol produced	**0.24**	0.24	0.23

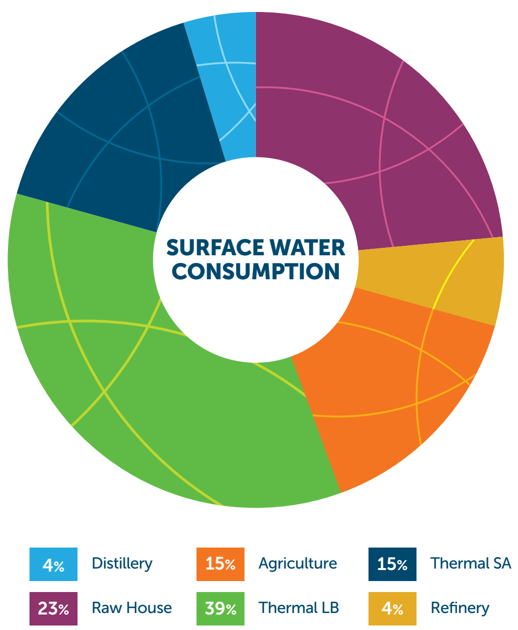
NATURAL CAPITAL (CONT'D)

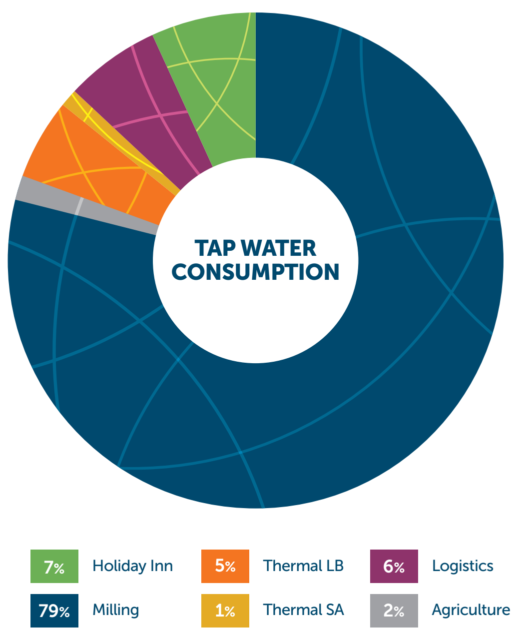
Water Management

103-1 | 103-2 | 103-3 | 303-1 | 303-2 | 303-3 | 303-5

Omnicane does not operate in water-stressed regions and its water usage does not compete with sources of domestic supply. In 2021, the total surface water used amounted to 6,080,306 m^3 (2020: 4,381,159 m^3) whereas the total amount of groundwater abstracted and used for irrigation was 2,605,034 m^3 (2020: 1,691,862 m^3). As far as tap water consumption is concerned, this amounted to a total of 67,781 m^3 in 2021 (2020: 44,131 m^3). Overall, the Group's total water consumption increased by 39% owing to a return to normal operations in 2021 with the resumption of the agricultural operations normal irrigation levels and the increase in operating hours for the milling, refinery, distillery and thermal energy operations.

Total Water Consumption, m^3





Biodiversity Management

103-1 | 103-2 | 103-3 | 304-1

Omnicane recognises that biodiversity is key to ecosystem services and the sound management of flora and fauna is of utmost importance for diverse economic activities. Through its various Environmental Impact Assessment reports for the La Baraque and St Aubin operations, it should be noted that Omnicane's industrial operations are not found in high biodiversity areas. On the agricultural side, an assessment conducted in 2021 by SCS Global Services under the Bonsucro certification concluded that Omnicane's agricultural operations do not fall in High Conservation Value (HCV) areas. On the social sustainability aspect, Omnicane Foundation has also sponsored biodiversity focused NGOs such as the Mauritian Wildlife Foundation for the preservation of flora and fauna at Ile aux Aigrettes. Also in 2021, Omnicane planted 225 endemic plants at Mare aux Songes and 694 other plants in La Colline and Greenview morcellements.

Emissions Management

103-1 | 103-2 | 103-3 | 305-7

Omnicane recognises that climate change is reshaping the general operating business environment, prompting a shift towards a low carbon economy. As such, it is fully committed to working towards minimising its greenhouse gas emissions. We acknowledge that a thorough carbon footprint accounting exercise is necessary, and we are currently planning to accurately measure the greenhouse gas emissions in our different operations. Furthermore, trials using other biomass sources on our two power plants started in 2021 in line with the Company's strategy to phase out coal in its operations in the future.

Omnicane's atmospheric emissions mainly come from its two power plants at La Baraque and St Aubin. They are both equipped with highly performing Electrostatic Precipitators (ESPs) for flue gas treatment. In addition, both the La Baraque cluster operations and the St Aubin powerplant are subject to quarterly ambient air quality monitoring and stack monitoring exercises by the Air Pollution Monitoring Unit of the Mauritius Cane Industry Authority. Reports demonstrate that all parameters measured are compliant with the EPA 1998 Standards.

Stack Monitoring Results

Concentration @ 15% oxygen

	Min.	Max.	EPA 1998 standards
Thermal – La Baraque			
Bagasse as fuel			
Carbon dioxide (%)	5.8	6.4	None
Carbon monoxide (mg/m³)	34.5	252	1,000
Sulphur dioxide (mg/m³)	19.1	34	2,000
Oxides of nitrogen (mg/m³)	59	129.6	1,000
Particulate matter load (mg/m³)	32	178	400

Concentration @ 15% oxygen

	Min.	Max.	EPA 1998 standards
Thermal – La Baraque			
Coal as fuel			
Carbon dioxide (%)	3.3	5.9	None
Carbon monoxide (mg/m³)	12.1	37	1,000
Sulphur dioxide (mg/m³)	27.6	293	2,000
Oxides of nitrogen (mg/m³)	114.4	154	1,000
Particulate matter load (mg/m³)	15	117	200
Thermal – St Aubin			
Coal as fuel			
Carbon dioxide (%)	5.8	6.9	None
Carbon monoxide (mg/m³)	19	55	1,000
Sulphur dioxide (mg/m³)	127	1,142	2,000
Oxides of nitrogen (mg/m³)	84	130	1,000
Particulate matter load (mg/m³)	35.5	148	200

Greenhouse Gas Emissions

305-1

In 2021, Omnicane's power plants at La Baraque and St Aubin emitted on average 1.3 tonnes of CO_2/MWh of electricity produced from coal, which represents a total of 980,793 tonnes of CO_2 (2020: 928,493 tonnes) released. Also, its bioethanol distillery captured and delivered some 2,816 tonnes of carbon dioxide to Gaz Carbonique Ltd for use in the beverages industry. The use of bagasse as fuel further contributed to avoiding the emission of around 95,490 tonnes of CO_2e in 2021, which helped us mitigate greenhouse gas emissions and reduce our impact on climate change.

Avoided CO_2 emissions	2021	2020	2019
Bagasse-related electricity exported to the national grid (MWh)	**93,894**	99,681	118,831
Avoided emissions from the burning of bagasse in tCO_2	**95,490**	101,376	120,851

Emission factor of bagasse = 0.775 $kgCO_2$/kg (bagasse) = 1.017 tCO_2/MWh
(Source: 2006 IPCC Guidelines for National Greenhouse Gas Inventories)

NATURAL CAPITAL (CONT'D)

Effluent and Waste Management

103-1 | 103-2 | 103-3 | 303-4 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

With the zero-waste concept of La Baraque industrial cluster where one operation's waste becomes another operation's input, Omnicane is committed to create new ways of turning waste into opportunity. This is important for adding value to its by-products and optimizing resource efficiency. The commitment for its waste management programme emerges from its Group Environmental Policy which places strong emphasis on the Reduce, Reuse and Recycle concept. Also, the Company is continuing in its approach to recycle treated effluents into the milling process, in view of decreasing the volume of effluent generated in the cluster operations. The table below shows effluent generation and disposal in terms of volumes and destinations.

Entity	Volume of wastewater discharged, m³ (est.)			Destination
	2021	2020	2019	
Milling (raw house & refinery) clean water	**1,519,060**	1,402,781	1,304,091	Cane irrigation
Milling (raw house) effluent	**53,546**	51,452	33,626	Recirculated in the process
Milling (refinery) effluent	**7,134**	3,513	8,652	Recirculated in the process during the crop season and sent to cane irrigation during the intercrop period
Thermal – La Baraque	**653,284**	560,315	541,762	Clarified through a decantation pond before reuse for cane irrigation
Thermal – St Aubin	**280,724**	287,753	278,117	Clarified through a decantation pond before canal disposal
Distillery	**112,227**	87,483	90,819	Recirculated in the sugar mill during the crop season. During the intercrop period, partly reused in distillery operations as well as for irrigation of cane fields
Holiday Inn Mauritius Mon Trésor Hotel	**6,943**	7,645	18,654	Processed through a dedicated treatment plant and reused for irrigation of lawn

Solid Waste

306-2

The implementation of solid waste management practices within all Omnicane entities is under way. Some of the Group's entities send their used oil and metal wastes to specialised recycling companies. Other recycling opportunities for paper, used batteries, plastic, green waste, IT waste etc. are currently being studied.

Environmental Impacts of Products and Services

103-1 | 103-2 | 103-3 | 301-2

At Omnicane, the environmental aspects of all major projects are thoroughly considered through Environment Impact Assessments. Their environmental performance is closely monitored during their operational phase. Environmental Monitoring Reports (EMRs) are submitted on a quarterly or monthly basis to the Ministry of Environment and other local authorities as per the requirements of the respective EIA licences. It is also worth noting that Omnicane's new value-added product, Dina Sugar used around 2.24 tonnes of recyclable packaging in 2021 (2020: 4 tonnes).

Environmental Compliance

103-1 | 103-2 | 103-3 | 307-1

Omnicane is committed to abide by local and international environmental laws, regulations and voluntary requirements of different sustainability standards to which it subscribes. In 2021, the Company received no fines or sanctions related to non-compliance with applicable environmental laws and regulations.

Environmental Costs and Communication

103-1 | 103-2 | 103-3

The economic valuation of natural capital is instrumental to assess the environmental impacts of the products and services at Omnicane. Currently, neither environmental benefits nor costs are directly reflected in corporate accounting like the balance sheet or the consolidated profit and loss accounts as they remain hidden within broad categories of operational overheads and expenses. Omnicane's main environmental costs are related mainly to its thermal, bioethanol and milling operations. These represent around 1.5% of the total operating expenses for the Group in 2021.

Environmental activity costs	2021 Rs	2020 Rs	2019 Rs
Bonsucro membership & certification costs	**461,069**	385,580	270,679
ISO 14001 certification costs	**65,000**	233,000	140,000
Environmental monitoring	**508,500**	702,000	1,102,000
Collection and disposal of solid waste	**280,600**	265,700	266,300
Ash management-related expenses including transport	**76,141,049**	76,670,440	71,411,468
Effluent management	**1,647,778**	1,336,397	666,246
Other miscellaneous costs	**248,230**	465,656	300,296
Total	**79,352,226**	80,058,773	74,156,989

SOCIAL & RELATIONSHIP CAPITAL

Local Communities

103-1 | 103-2 | 103-3 | 413-1

As a responsible corporate citizen, Omnicane is committed to promoting social inclusiveness and proximity with its neighbouring local communities. Dedicated forums are organised between local community and Management representatives to discuss on social and environmental matters pertaining to Omnicane's operations.

Corporate Social Responsibility

103-1 | 103-2 | 103-3 | 413-1 | 102-52

As the social arm of the Company, Omnicane Foundation is engaged with different NGOs and stakeholders in various social projects in the following categories: Education & Training, Environment, Health, Leisure & Sports and Socio-Economic Development. It should be noted that CSR activities and projects were greatly impacted by the COVID-19 pandemic, the lockdown period and the sanitary restrictions in Mauritius. With the relaxation of the sanitary restrictions, it is expected that the second half of 2022 will see an uptake in community-based projects.

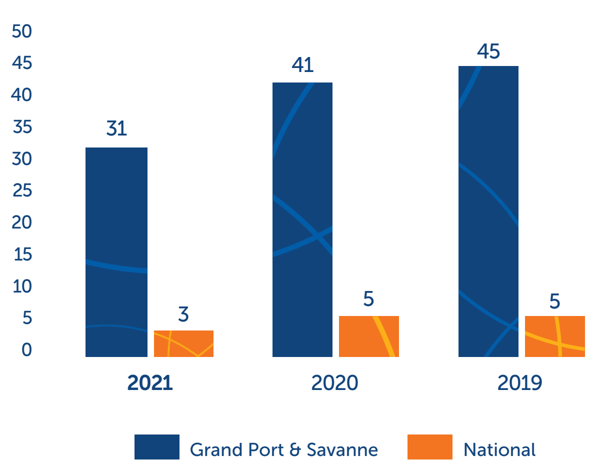
In 2021, the CSR funds received from entities within the Group were as follows:

CSR contributions from different entities	Amount Rs
Omnicane Thermal Energy Operations (St Aubin) Ltd	390,049
Omnicane Treasury Management Ltd	2,997
Omnicane Thermal Energy Operations (La Baraque) Ltd	1,951,328
Total approved reduced remittance amount	2,344,374
Administrative fees (15%)	351,656
Total CSR funds available in 2021	4,337,092

CSR Expenses	Amount Rs
Health	565,239
Educational support & training	657,222
Environment and sustainable development	213,500
Leisure and sports	67,241
Peace and nation-building	39,650
Social housing	100,000
Socio-economic development	911,640
Supporting people with disabilities	320,800

- 11% Supporting people with disabilities
- 20% Dealing with health problems
- 23% Educational support & training
- 7% Environment & sustainable development
- 2% Leisure & sports
- 1% Peace & nation-building
- 4% Social housing
- 32% Socio-economic development

Projects



KEY CSR EVENTS

February 2021 – Inauguration of Regional Office of Global Rainbow Foundation in Mahebourg

February 2021 – Launch of media library at Burrenchobay Government School, Plaine Magnien

February 2021 – Remittance ceremony for Southern participants in the organic gardening project with MAA at Britannia

June 2021 – Donation of assistive devices to beneficiaries under the Hope Initiative programme of Global Rainbow Foundation

July 2021 – Participation in the clean-up campaign at Bassin Carangue organized by L'Escalier International City of Peace committee

September 2021 – Participation in Social Welfare banner unveiling, assistive devices remittance and prize giving ceremony for laureates 2021 at Plaine Magnien Social Welfare Centre

September/October 2021 – Launch of SugarCane Boy Bookclubs at Trois Boutiques, Hamilton College Mahebourg, Balisson Rose Belle and L'Escalier

April 2022 – G.M.D. Atchia State college – winners of Omnicane Award 2021 Intercollege competition

SOCIAL & RELATIONSHIP CAPITAL (CONT'D)

Supply Chain Management

102-9 | 103-1 | 103-2 | 103-3 | 204-1 | 308-1 | 414-1

In 2021, the COVID-19 pandemic and the prolonged Ukraine-Russia war have been detrimental for the global supply chain causing barriers in the global market, disrupting movement of commodities, and inflating commodity and shipment prices across the world. Omnicane's supply chain was also impacted by this increase in prices.

Its Procurement team worked closely with its pool of suppliers to mitigate the supply disruption risks and continually improve its procurement strategies. Despite the difficult economic situation, our suppliers proved to be resilient in honouring our orders.

The Procurement department's aims are to operate a lean supply chain that complies to corporate policies, develop solutions to address operations' needs and expectations and create long-term value while reducing risks.

In line with Omnicane's inclusive development strategy, we recognise that buying local helps to contribute to the development of suppliers and sustain the national economy. This strategy considers inclusion of members of the Made in Moris* and SigneNatir**.

During the year under review, Omnicane's spending on local suppliers amounted to 57 % (2020: 55%) of the total expenditure on procurement of goods, works and services for the Group. Its local supplier base consisted of 88% of the total suppliers that the Company collaborated with in 2021.

In view of further ensuring sustainable procurement practices such as compliance to ISO standards, Omnicane's procurement department conducts supplier evaluation based on quality standards e.g. service standards, labour practices, social and environmental performances. In 2021, 48 suppliers (2020: 54 suppliers) have been assessed through questionnaires, site visits and meetings.

HUMAN CAPITAL

103-1 | 103-2 | 103-3 | 102-8 | 202-1 | 401-1 | 401-2

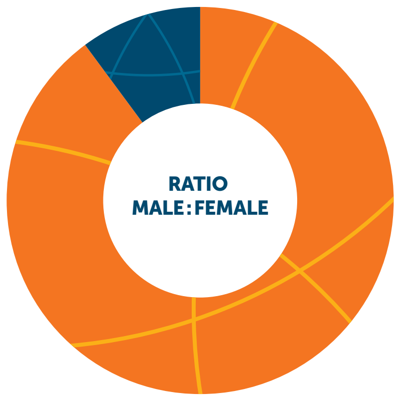
Omnicane embraces human capital management and development across its different entities while ensuring business continuity and focusing on employee health and safety. In response to the continued challenges linked with the COVID-19 pandemic, the Company adopted a flexible approach by promoting hybrid work and granting Covid leave.

The COVID-19 Protocol was revisited and aligned with Business Mauritius' protocol for businesses to prevent the spread of COVID-19 in the workplace as designed by the relevant authorities. On-site campaigns enabled employees to get vaccinated and face masks and sanitisers were provided to employees at the workplace.

Attracting and Retaining the Right Talent

As an equal opportunity employer, Omnicane's recruitment and selection policy enables the Company to attract, develop, retain, and manage talent. It factors the different qualifications, experience, technical and soft skills required for the different job requirements in its various operations. In 2021, the Group had a total workforce of 1,333 employees, including 10% women. The employee turnover rate stood at 14.24% as at December 2021 (2020: 23.71%) The turnover rate comprises workers recruited on a seasonal basis during the crop period for agricultural and milling operations.

1%	Mon Trésor Smart City, **11**
23%	Omnicane Limited, **310**
3%	Omnicane Agricultural Operations Limited, **39**
29%	Omnicane Milling Operations Limited – Raw House, **388**
9%	Omnicane Milling Operations Limited – Refinery, **121**
4%	Omnicane Ethanol Production Limited, **49**
9%	Omnicane Logistics Operations Limited, **125**
7%	Omnicane Thermal Operations Limited – La Baraque, **87**
3%	Omnicane Thermal Operations Limited – St Aubin, **44**
5%	Omnicane Management & Consultancy Limited, **66**
7%	Holiday Inn, **93**



90%	Male – **1,202**
10%	Female – **131**

HUMAN CAPITAL (CONT'D)

Training and Development

103-1 | 103-2 | 103-3 | 404-1 | 404-2

Omnicane promotes the development of a sustainable learning and development culture among employees. Further to the Training Needs Analysis carried out back in 2020 and the three-year training plan developed thereon, priority was given in 2021 to mandatory training in Health and Safety, Legal and Compliance in the prevailing COVID-19 environment.

Also, Omnicane continued its collaboration with universities, vocational and technical institutions to offer work placements for young graduates under the Youth Employment Programme (YEP).

Labor/Management Relations

103-1 | 103-2 | 103-3 | 402-1

In order to promote a healthy and strong social dialogue among employees, Omnicane organises different forums and meetings to enable them to share any issues with the Management. The Company also fosters collaboration, understanding and trust in labour-Management relations by carrying out training programmes and facilitation workshops. It should be noted that much emphasis is put on an open-door policy and conflict resolution in a cordial environment.

Industrial Relations

Omnicane complies with the prevailing labour laws and respects the terms and conditions of employment as per the collective agreements of the different bargaining units. Collective bargaining processes are ongoing in agricultural, milling, logistics and distillery operations.

Human Rights

103-1 | 103-2 | 103-3 | 408-1 | 409-1

Omnicane's corporate culture supports all initiatives respecting human rights. The Group complies with all applicable ILO conventions to which Mauritius is a signatory. It has implemented its Child and Forced Labour and Equal Opportunity policies.

Freedom of Association and Collective Bargaining

102-41 | 103-1 | 103-2 | 103-3 | 407-1

Omnicane recognises the right to freedom of association and collective bargaining. Employees are free to join trade unions.

Diversity and Equal Opportunity

103-1 | 103-2 | 103-3 | 405-1 | 406-1

As an equal opportunity employer. Omnicane promotes equity, opportunity and respect in all its operations. Its remuneration policy is guided by the principle of fairness and equality; it also promotes diversity at work and condemns discrimination on the basis of race, age, gender and caste.

Employee Welfare & Wellness

403-3 | 403-6

Following the success of the Fighting Diabetes at the Workplace programme, Omnicane has engaged further in on the Smart Diabetes Education Project, a two-year programme with APSA and Universite des Mascareignes. The objective is to promote self-management education and intervention in the field of diabetes. In this context, it has set up an Employee Wellness Committee to support their overall health and well-being. However, owing to the COVID-19 situation, several activities initially planned in 2021 had to be rescheduled due to sanitary restrictions.

Occupational Health and Safety

103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-5 | 403-7

The Company is committed to providing a safe working environment to all employees and any other stakeholder working on its premises. Health and Safety officers at each operational site ensure that the Company complies with the Occupational Safety and Health Act of Mauritius. Regular meetings are held across all entities of the Group and are effective collaborative forums where health and safety issues are discussed and addressed in a spirit of continual improvement. This ensures the implementation of strong measures to ensure that day-to-day operations are safe and reduce the occurrence of work accidents.

The table below shows the number of occupational accidents and man-days lost in our different entities, as well as employee representations in health and safety committees. We are committed to continually reduce the accident rates across all Omnicane entities through sensitization, training, and root cause analysis amongst others

	Number of accidents			Man-days lost		
Entity 403-4 | 403-9	Male	Female	Total	Male	Female	Total
Agriculture	21	0	**21**	140	0	**140**
Milling – Raw House	41	0	**41**	266	0	**266**
Milling – Refinery	20	0	**20**	67	0	**67**
Distillery	5	0	**5**	25	0	**25**
Logistics	21	0	**21**	100	0	**100**
Thermal – La Baraque	1	0	**1**	10	0	**10**
Thermal – St Aubin	2	0	**2**	5	0	**5**
Holiday Inn Mon Trésor	1	3	**4**	3	9	**12**

Health & Safety Committees	Employee representatives (including Management)	Total employees	%
Agriculture	14	**338**	4.1
Milling – Raw House	18	**382**	4.7
Milling – Refinery	21	**120**	17.5
Distillery	6	**48**	12.5
Logistics	15	**119**	12.6
Thermal – La Baraque	13	**87**	14.9
Thermal – St Aubin	15	**44**	34.1
Holiday Inn Mon Trésor	14	**93**	15.1

06 RISK & BUSINESS CONTINUITY MANAGEMENT

GOVERNANCE

102-11 | 102-15 | 102-30

Omnicane's Enterprise Risk Management function is embedded throughout our Group and ensures an integrated approach to managing current and emerging threats to our operations and activities. We acknowledge that risk management plays a vital role in business strategy and planning discussions, where our defined risk appetite and tolerances facilitate risk-return discussions and set boundaries for Group-wide risk-taking. This also allows us to take a precautionary approach to our activities and operations. Together, the Enterprise Risk Management and Business Continuity Management tools have enabled the Company to manage material risks across the Group and ensure the long-term viability of operations. The diagram below summarises the main components of our ERM and BCM in 2021.

In line with its Enterprise Risk Framework, Omnicane manages its risks at the different levels. Through its Risk Committee, the Board of Directors ensures that resources are deployed effectively in identifying and addressing risks and managing them appropriately for value creation.

The Chief Risk Officer and his team lead the effective risk identification and mitigation processes, organise risk reviews and monitoring mechanisms within all business operations and key departments. Business Continuity drills are also planned and conducted throughout the year.

The final stage of the ERM consists of the internal audit function responsible for independent review of the Group's ERM process, systems and controls.

In recognition that risk may arise at multiple levels (from taking strategic decisions, to implementing supporting actions) and take many forms, Omnicane categorised its risks as follows:

- Business Environment & Market
- Operational
- Political & Regulatory
- Natural Environment
- People
- Financial
- Partners & Suppliers

Our Material Risks

102-29 | 102-31

In 2021, material risks identified as per the seven categories were as follows:

	Risk	Risk drivers	Impact on value	Mitigating actions
Risk Category: Business Environment & Market				
1.	**Volatility in sugar prices & volume of sugar on the world market**	This may occur due to international macroeconomic conditions, abolition of quotas, supply and demand management, geo-political relations, pricing policy of suppliers, pandemics	• Financial impact • Operational impact • People impact	• Keeping track of market trends/forecasts • Expanding local and regional markets • Production of new types of value-added sugar • Striving to decrease cost of production
Risk Category: Operational				
2.	**Delayed harvest** 201-2	This may occur due to adverse climatic conditions such as cyclones, flash floods, drought or strikes. Another recent factor has been the COVID-19 pandemic and lockdown	• This will cause adverse financial, operational and human impacts	• Good coordination and communication with the Southern planters and relevant authorities
Risk Category: Political & Regulatory				
3.	**Non-compliance with environmental regulations**	This may arise due to pollution, poor effluent management or end products not meeting environmental requirements	• Financial impact • Operational impact	• Sustainability Department ensuring that regulatory updates are applied as and when required • EIA study or voluntary sustainability standards applied for major projects • Implementation of Environmental Management System at both power plants • In line with EIA requirements, monthly or quarterly Environmental Monitoring Reports are submitted to relevant authorities
Risk Category: Natural Environment				
4.	**Pandemic outbreak**	This may occur due to spread of diseases	• Financial impact • Fatalities • Decrease in manpower • Business interruption	• Implementation of COVID-19 procedures, protocols and Emergency Action Plans • Strict sanitary controls at all operations • Sensitisation of employees on COVID-19 prevention • Vaccination of employees
Risk Category: People				
5.	**Failure to recruit and retain appropriate staff**	This can arise due to scarcity of required skills on the market, or non-attractive remuneration packages	• High cost of employee turnover • Operational disruptions	• Annual assessment of manpower needs • Ongoing training and development for employees • Providing remuneration compensation
Risk Category: Financial				
6.	**Liquidity**	This may arise due to foreign currency fluctuations, increase in interest rates, decrease in economic activity as a result of a pandemic outbreak & commodity prices fluctuations	• Business interruption • Reputational • Inability to meet financial commitments	• Rigorous follow up of operations by Treasury Department • Effective working capital management
Risk Category: Partners & Suppliers				
7.	**Supply disruption**	This may arise due to poor financial position of the supplier, strike at the port or airport, embargo, industry turnover, pandemic outbreak/dependency on imports	• Operational impact • Financial impact	• Seeking alternative suppliers • Ensuring that there is a minimum stock level • Early planning of orders • Conducting market intelligence

07 CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE

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

Name of PIE: Omnicane Limited

Reporting Period: Financial year ended December 31, 2021

We, the Directors of **Omnicane Limited**, confirm that to the best of our knowledge that the Company has complied with most of the obligations and requirements under the Code of Corporate Governance except for those mentioned below:

Statement of Non-Compliance	Areas of Non-Compliance
Principle 2 – The Structure of the Board and its Committees	As at 31 December 2021, the Company did not have a female director serving on the Board which goes against the recommendations of the Code in which the implementation of both genders on the Board is strongly encouraged. **Reason for non-compliance:** The Board is considering the appointment of a female director and the recruitment process is still ongoing as the Company remains committed in finding the suitable candidate.
Principle 3 – Director Appointment Procedures	As at 31 December 2021, the Board did not have a formal succession plan for its members and senior management in place; so as to ensure the appropriate balance of skills and expertise. **Reason for non-compliance:** The Corporate Governance Committee is responsible for the identification and nomination of suitable candidates to fill board vacancies, should they arise. The Board is considering the aspect of succession planning for both its members and senior management positions.
Principle 4 – Director Duties, Senior Executive Remuneration and Performance	As at 31 December 2021, the Board did not undertake a formal evaluation of its own performance and that of its committees; resulting in no annual development plan being produced. **Reason for non-compliance:** No Board appraisal exercise has been performed during the year under review as there is no formal evaluation plan. An internal Board evaluation exercise with the Head of Human Resources has been initiated and is currently in progress
Principle 4 – Director Duties, Senior Executive Remuneration and Performance	As at 31 December 2021, the corporate governance section of the website did not contain the related party transactions policy. **Reason for non-compliance:** The related party transaction policy is not yet published on the website as no formal policy was available. The policy is currently being drafted.

Signed by

Harold MAYER
CHAIRPERSON

Jacques M. D'UNIENVILLE, GOSK
DIRECTOR

30 July 2021

Introduction

Omnicane Limited ('Omnicane" or the "Company") is a Public Interest Entity (PIE) as defined by the Financial Reporting Act 2004 and it is listed on the Stock Exchange of Mauritius ("SEM") and its Sustainability Index. The Company is led by a committed and unitary Board, which has the overall responsibility for the leadership, oversight, and long-term success of the organisation.

With the best interests of the Company and its stakeholders in mind, the Board of Omnicane is committed to provide a satisfactory return to its shareholders and fulfil its corporate governance obligations and responsibilities as per the New Code of Corporate Governance 2016 recommendations (hereinafter referred to as the "Code"). As such, it strives for continuous improvement, recognising that the achievement of a long-term sustainable business is dependent on stable, well-functioning and well-governed environmental, social, economic and governance practices.

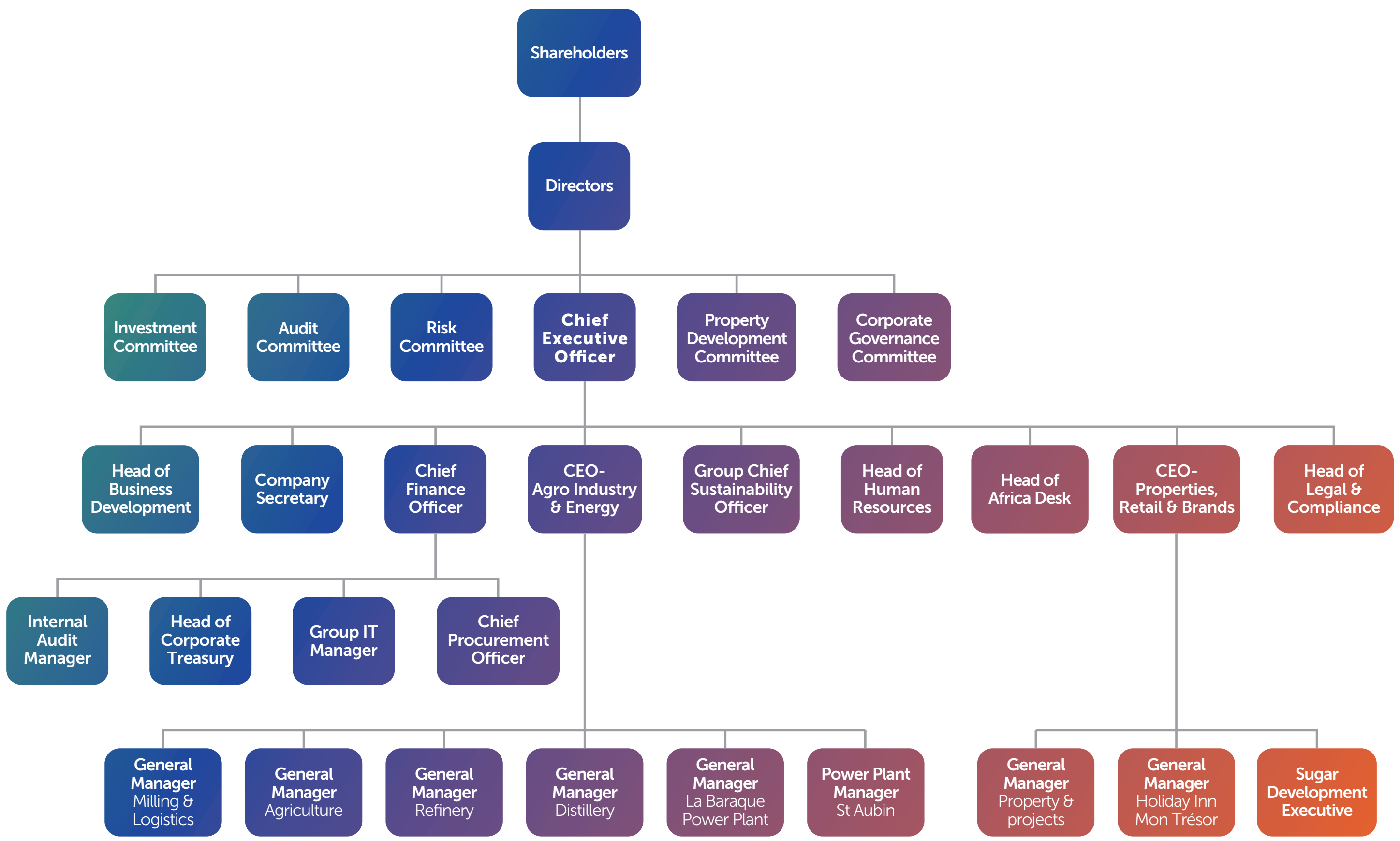
In this context, the Board is satisfied that the Company has complied with most of the requirements of the Code in 2021.

Principle 1

Governance Structure

102-18 | 102-22 | 102-32

The Board determines the Company's overall strategy and overlooks the implementation of its performance, business objectives and ensuring compliance to all applicable legal and regulatory requirements for the Group. It also ensures the implementation of an efficient risk management and business continuity management systems for better decision-making. The executive team comprises of Head of Entities and Head of Departments who are responsible for the day-to-day running of the business, with well-defined accountabilities. Their respective profiles can be found on pages 106-109 of this report. The governing structure of Omnicane Limited is as below:



Principle 1 (Cont'd)

Board Charter

Omnicane's Board Charter clearly identifies the respective roles and responsibilities of the Board, its Committees, its Directors and Senior Management. It defines the Terms of Reference of the Board, Board Committees and Senior Management to ensure that all Directors and Senior Management personnel acting on behalf of the Group are aware of their duties and responsibilities. It also addresses the issues and decisions reserved for the Board, the Board's governance structure and authority. This document is available on Omnicane's website at www.omnicane.com and is subject to review on a yearly basis.

Code of Ethics

The Board has endorsed a Code of Ethics for the Group which covers ethical behaviour in all aspects of the Group's business operations, and includes areas concerning provision of safe working conditions, conservation of the environment, respect for human rights and workplace safety arrangements, responsibilities to shareholders, fair and transparent transactions and protection and management of Group's assets and information. Employees are made aware that relevant disciplinary actions will be taken in case of unethical behaviour and gross misconduct. This Code of Ethics was recently reviewed by the Top Management and communicated to all employees. A copy is available on Omnicane's website at www.omnicane.com. The Board regularly monitors and evaluates compliance with the Code of Ethics.

Management Contract

102-20

Omnicane Limited has a management contract with Omnicane Management & Consultancy Ltd ("OMCL") which purpose is to provide reliable and trustworthy services to all the entities of Omnicane in the following main areas: strategic management, finance & treasury, procurement – supply chain, corporate secretary, legal and compliance services, information & communication technology, industrial project development and management, property project management, development and related marketing and sales, sustainability & risk management, internal audit, human resources, marketing and sales of sugar-related products, internal and external communication, project finance, business development, business intelligence & analytics and hospitality management. It should be noted that Omnicane Management & Consultancy Ltd employs and remunerates the senior executives of the Group.

Principle 2

The Structure of the Board and Its Committees

102-18 | 102-19 | 102-22 | 102-23 | 102-26 | 102-27 | 405-1

As per its constitution, Omnicane has a unitary Board of 11 directors: 9 non-Executive directors including an independent one and 2 Executive directors. There is sufficient balance of power and authority within the Board and the Directors contribute positively to the Board with their diverse range of skills, experience and backgrounds. In order to compensate for the gender imbalance on the Board, there is one vacant seat reserved for a female director, who will be recruited shortly. The Board also believes that as long as Non-Executive Directors remain independent of management and are of the right calibre and integrity, they can perform the required duty of looking after the Company's interests. Independent directors can meet and consult with each other prior to the Board meetings. Their names and directorship details are provided on page 96-97 of this report and they have all dedicated sufficient time to the Board as illustrated by the Board attendance table found on page 95. Four members of the Board are members of the Board of the main shareholder while the Chairman is a member of the Board of Omnicane Management & Consultancy Limited, a sister company.

Quarterly Board meetings are held during the year with additional meetings held when appropriate. At each Board meeting, a complete update on the affairs and business of the Group is presented by Executive Management. It should be noted that with the exception of Mr. Jimmy Tong Sam, all other Directors are residents of Mauritius.

Roles & Responsibilities of the Chairman and Chief Executive Officer

The Directors have approved the following Statement of Accountabilities:

The roles and responsibilities of the Chairman/Chairperson and Chief Executive Officer are clear and distinct. The separation of the roles and responsibilities of the Chairman/Chairperson and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Non-Executive Chairman/Chairperson leads and manages the business of the Board and is responsible for the following:

- leading the Board to ensure its effectiveness on all aspects of its role;
- promoting a culture of openness and debate within the Board;
- ensuring the Board members engage the Management in constructive debate on various matters including strategic issues;
- ensuring that the Directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- facilitating the effective contribution of non-executive Directors in particular; and
- continuous pursuance of high standards of corporate governance.

On his part, the Chief Executive Officer is responsible for the overall management and performance of the Group by implementing the Group's strategies and policies and making business investment decisions. The CEO and his team of management staff translate the Board's decisions into executive action.

It should be noted that the Non-Executive Chairman/Chairperson is not related to the CEO.

Company Secretary

Under the leadership of the Chairperson, the Company Secretary is responsible for good governance practices at Board and entities' levels and ensures that there are good information flows within the Board and its committees as well as between Senior Management and the Non-Executive Directors. The Company Secretary also facilitates induction and assists with professional development of Non-Executive Directors including trainings, as required.

Board Committees

102-18 | 102-22

The Board has established five Sub-Committees which operate under its approved terms of reference. These Sub-Committees meet at least quarterly and may take independent advice at the Company's expense. It should be noted that the Company Secretary acts as secretary to all these Committees.

Committee	Composition	Main responsibilities
Corporate Governance Committee **Incl. Nomination Committee** **102-24** **Incl. Remuneration Committee**	Non-Executive Chairperson: Didier Maigrot Non-Executive Director: Harold Mayer In attendance: Jacques M. d'Unienville, GOSK is invited to attend the meetings	• Advise and make recommendations to the Board on all aspects of corporate governance. • Advise the Board on key appointments at Board and Top Management level. • Review the remuneration structure of the Group for Senior Management.
Investment Committee	Non-Executive Director: Pierre M. d'Unienville Non-Executive Directors: Preetam Boodhun (Resigned in January 2022) Jimmy Tong Sam Didier Maigrot Executive Director: Jacques M. d'Unienville, GOSK In attendance : Nelson Mirthil, Group Chief Operations Officer	• Ensure that the Company's investments are in line with the Board's strategy. • Review the detailed investment plans of the Group to ensure that the projected risk-adjusted returns are within acceptable norms. • Monitor and review progress on the Group's investment objectives and the strategic plan set out to achieve them.
Property Development Committee	Non-Executive Chairperson: Bertrand Thevenau Non-Executive Director: Harold Mayer Executive Directors: Jacques M. d'Unienville, GOSK Nelson Mirthil In Attendance: Group Chief Operations Officer, General Manager Property and Projects	• Formulate a long-term strategy of value addition through development or disposal of the Company's land assets and making recommendations to the Board accordingly. • Oversee procedures relating to all the Company's land development projects for the sake of transparency and in the best interests of the Company. • Identify, assess and select the best contractors through tenders, and monitor progress in the works involved for timely execution. • Deal with all land-related matters and make recommendations to the Board accordingly.

Principle 2 (Cont'd)
Board Committees

102-18 | 102-22 (Cont'd)

Committee	Composition	Main responsibilities
Audit Committee	Non-Executive Chairperson: Jimmy Tong Sam Non-Executive Directors: Bertrand Thevenau Bertrand Boulle In attendance: Jacques M. d'Unienville, GOSK Nelson Mirthil Internal auditors External auditors Any other managers	• Consider and review the reliability and accuracy of financial information and appropriateness of accounting policies and disclosure practices. • Examine and review the quarterly financial results, annual financial statements or any other documentation to be published in compliance with the Company's accounting standards. • Review compliance with applicable laws and best corporate governance practices and regulatory requirements. • Review the adequacy of accounting records and internal control systems. • Monitor and supervise the functioning and performance of internal audit. • Direct interaction with the external auditors at least once a year without the presence of Senior Management to discuss any issues, accounting principles, etc. • Direct interaction with the Internal Audit Manager at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. • Consider the independence of the external auditors and making recommendations to the Board on their appointment or dismissal.
Risk Committee	Non-Executive Chairperson: Bertrand Thevenau Non-Executive Directors: Pierre M. d'Unienville Didier Maigrot Harold Mayer In attendance: Jacques M. d'Unienville, GOSK Nelson Mirthil Group Chief Operations Officer Group Chief Sustainability Officer (Chief Risk Officer) Any other managers	• Review the effectiveness of the Group risk management process and approve strategies to address potential risks throughout the whole organisation. • Evaluate the risks associated with all new projects on an ongoing basis, assessing the probability and impact of foreseeable events on the Company's situation.

Principle 2 (Cont'd)
Board and Committee Attendance

The table below illustrates the attendance of all the Directors at Board and Sub-Committee meetings in 2021:

Name of Director	Board of Directors	Investment Committee	Audit Committee	Risk Committee	Property Development Committee	Corporate Governance Committee
Number of meetings held	**4**	**3**	**5**	**2**	**4**	**-**
Jacques M. D'UNIENVILLE	4	3	-	-	4	-
Nelson MIRTHIL	4	-	-	-	4	-
Didier MAIGROT	4	3	-	2	-	-
Bertrand THEVENAU	4	-	3	2	4	-
Pierre M. D'UNIENVILLE	4	3	-	2	-	-
Preetam BOODHUN (Resigned in January 2022)	4	3	5	-	-	-
Jimmy TONG SAM	4	3	2	-	-	-
Harold MAYER	4	3	-	2	4	-
Bertrand BOULE	4	-	5	-	-	-
Dineshrao BABAJEE	4	-	-	-	-	-
Bojrajsing BOYRAMBOLI (Resigned in July 2021)	1	-	-	-	-	-
Dhananjay KAWOL (Appointed in October 2021)	2	-	-	-	-	-

Share Dealings by Directors
The Directors ensure that their dealings in the Company's shares are conducted in accordance with the principles of the Model Code for Securities Transactions by Directors of Listed Companies, as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules.

Upon appointment to the Board, Directors are required to inform the Company Secretary of the number of shares they directly or indirectly hold in the Company. This declaration is entered into a Directors' Interest Register, which is maintained by the Company Secretary and updated with any subsequent transactions made by Directors.

Principle 3

Directors' Appointment Procedures

New directors are appointed following the recommendation of the Corporate Governance Committee and formal approval by the Board. This is also subject to confirmation by shareholders at the following Annual General Meeting. It should be noted that Non-Executive Directors are chosen for their business experience and ability to provide a multitude of knowledge, skills, objectivity, integrity, experience and commitment to the Board. At the forthcoming Annual Meeting of Shareholders scheduled for 30 September 2022 the following Directors shall stand for re-election as per the Constitution of Omnicane Ltd:

- Mr. Harold Mayer
- Mr. Jacques M. d'Unienville
- Mr. Jimmy Tong Sam
- Mr. Nelson Mirthil
- Mr. Dhanandjay Kawol

Directors' Profiles

Brief profiles of all the Directors as December 31, 2021 are available below:

Harold MAYER

NON-EXECUTIVE CHAIRPERSON
INDEPENDENT DIRECTOR
Appointed to the Board in 2019

J. Harold Mayer holds a Bachelor Degree in Commerce from University of the Witswatersrand. He is a member of the South African Institute of Chartered Accountants. He began his career as the Head of Finance at New Island Clothing in 1990 and as General Manager of Aquarelle Clothing Ltd in 1995. Presently, J. Harold Mayer holds the position of Executive Director at CIEL Textile Ltd. Mr. Mayer joined the board of Omnicane Limited in late June 2019. In October 2020, he was appointed as Chairperson of Omnicane Limited. In October 2021, he was appointed Director at Air Mauritius Limited.

Jacques M. D'UNIENVILLE, GOSK

CHIEF EXECUTIVE OFFICER
Appointed to the Board in 2001

Jacques M. d'Unienville holds a Bachelor's degree in Commerce from the University of Cape Town. Prior to joining Société Usinière du Sud (SUDS) as Chief Executive Officer in 2005, he was the Managing Director of Société de Traitement et d'Assainissement des Mascareignes. He has held office as Chief Executive Officer of MTMD (now Omnicane Limited) from 1 April 2007. He is the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited, Omnicane Milling Operations Limited and is a director of Real Good Food Company plc, Southern Cross Tourist Co Ltd and The Union Sugar Estates Co. Ltd. He is a board member of several sugar sector institutions in Mauritius and was the President of the Mauritius Sugar Producers Association in 2005, 2006, 2009, 2010 and was re-elected President in 2015. He was the President of the Mauritius Sugar Syndicate in 2012 and is the Vice President for the financial year 2020-2021.

Nelson MIRTHIL

CHIEF FINANCE OFFICER
Appointed to the Board in 2008

Nelson Mirthil is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He started his career in the Audit Department of De Chazal du Mée (now BDO & Co.) before joining Ernst & Young, where he was promoted to Audit Manager. He gained broad financial experience through his involvement in mergers, acquisitions and special assignments in Africa. He has also acted as Fund Manager of the Mauritius Development Investment Trust (MDIT), a listed investment company. Mr. Mirthil joined Omnicane in 2003 as Chief Finance Officer. He is a board member of various companies within the Group, the main ones being Omnicane Milling Operations Limited, Omnicane Thermal Energy Operations (La Baraque) Limited, Omnicane Bio-Ethanol Operations Limited, Airport Hotel Ltd, and the Sugar Insurance Pension Fund.

Didier MAIGROT

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2012

Didier Maigrot holds a Maîtrise en Droit from Université d'Aix-Marseille III (France) and has been practising as a notary since 1996. He is a non-executive director of Compagnie du chemin Français, Compagnie Sucrière de Riche en Eau, Compagnie de Beau Vallon Limitée and Tea Blenders Ltd. He was appointed to the board of Omnicane Limited in 2012.

Bertrand THEVENAU

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2008

Bertrand Thevenau is the holder of a University diploma in Technology – International Marketing from Aix en Provence, France. He is the Chief Executive Officer of Tropic Knits Group (member of Ciel Group). He holds a wide experience in the fashion and garment industry, having been exposed to international markets all through his career. Mr. Thevenau joined CIEL Textile in 1999 and has been holding key positions within the Group since then. He started his career as Marketing and Sales Director of CFL. He was then appointed as Executive Director of Tropic Knits Ltd in 2009 and became Group CEO in 2018. He has joined the Board of Directors of Ciel Textile in September 2019.

Pierre M. D'UNIENVILLE

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2010

Pierre M. d'Unienville holds a Licence en Sciences Economiques from the Université d'Aix-Marseille III (France) and has postgraduate specialisation in Finance and Strategy from IEP Paris. After gaining international experience in finance and in mergers and acquisitions, he co-founded Kick Advisory Services Ltd, a consultancy firm, of which he remains a partner and deal executive.

Preetam BOODHUN

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2016 (Resigned in January 2022)

Preetam Boodhun holds a Diploma in Mathematics. He currently works as educator at Keats College and is the Chairperson of the Sugar Investment Trust (SIT), SIT Leisure (a subsidiary of the SIT) and the strategy and investment committee of the SIT Group. He is also the Chairperson of Landscope Mauritius Ltd since March 2020.

Jimmy TONG SAM

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2018

Jimmy Tong Sam qualified as a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants in England and Wales (ICAEW) in 1994 and then as an Expert-Comptable in Luxembourg. He also holds a bachelor's degree in Mathematics from Bristol University, UK. He first started with Royal Dutch Shell in Mauritius and Djibouti and is now the founder partner of Auren Luxembourg SARL, located in Luxembourg.

Bertrand BOULLE

NON-EXECUTIVE INDEPENDENT DIRECTOR
Appointed to the Board in 2020

Marie Pierre Bertrand Boulle holds a B.A.(Hons) from the University of Ulster and an MBA from the EU Business School. He began his career with De Beers in the UK and is currently director of Diamond Fields Resources (TSX-V: DFR), CEO of Sun King® Diamonds Ltd., Director of Alûstre P/S (Denmark), Director of JBRD S.A. (Luxembourg), Chairman of Resources Acquisition Corp. (US) and Managing Director of Investors Europe (Mauritius) Ltd. Mr Boulle was appointed to the Board of Omnicane Limited in February 2020.

Dineshrao BABAJEE

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2020

Dineshrao Babajee is the Chief Executive Officer of SIT since July 2020. Prior to joining the SIT Group, Mr. D. Babajee was the General Manager of Rose Belle Sugar Estate for 4 years and Chairman of the Employees Welfare Fund from April 2015 to June 2020. He has 20 years of experience in management and marketing. Mr Babajee is a holder of an MBA in Business Administration and a BSc (Hons) Agriculture with Specialisation in Agricultural Engineering. Mr. D. Babajee joined the board of Omnicane Limited in July 2020.

Dr Dhananjay KAWOL

NON-EXECUTIVE DIRECTOR
Appointed to the Board in 2021

Dr Dhanandjay Kawol started his career in the Civil Service in 1991 as a technical officer at the Ministry of Agriculture and Natural Resources. Subsequently in 1995, he was appointed as Assistant Secretary in the administrative cadre. He has served in different ministries and has reached the level of Permanent Secretary. He is presently posted at the Ministry of Social Integration, Social Security and National Solidarity (Social Security and National Solidarity Division) since 19 July 2021. He has also served as Chief Executive at Municipal Councils of Port Louis and Quatre Bornes from July 2006 to July 2008. Dr. D Kawol has served several Boards as ex-officio member since his assumption of duty as Assistant Secretary. He is presently also serving the following Boards, namely Employees Welfare Fund, State Insurance Company of Mauritius Ltd, Mauritius Housing Company Ltd, Cybercity Properties Ltd, National Social Integration Foundation, National Empowerment Foundation, Ascencia Ltd and the National Pensions Fund / National Savings Fund Investment Committee.

Principle 3 (Cont'd)

Board Induction

The Board is responsible for the induction of new Directors in the Company. The latter participate in an induction and orientation process whereby they receive an induction pack containing Omnicane's governance processes, their roles and responsibilities, company policies, code of business conduct and an overview of business operations. They also receive the following documents pertaining to their duties and responsibilities:

- Board Charter
- Code of Ethics
- Constitution
- Salient features of the Listing Rules and Securities Act

The Directors are kept informed of new developments falling outside the scope of scheduled Board meetings and they are encouraged to keep themselves up to date with the latest workplace trends and professional practices. They also have the opportunity to visit the business units and interact with their executives. Directors are aware of their legal duties.

Board, Individual Directors & Committees' Evaluation

102-28

Together with the Mauritius Institute of Directors (MIoD), the last Board evaluation was done in April 2014 by using questionnaires and interviews with each member of the Board of directors as methodology. Following this Board Assessment exercise, several recommendations on risk management, strategy, director induction, succession planning, education and training were made and considered for improving the performance of the Board. In 2021, the Company initiated an internal Board evaluation exercise with the Head of Human Resources and is currently in progress in 2022.

Succession Planning

In order to ensure continued balance of knowledge, skills and experience, the Board has considered the aspect of succession planning for both the Board and senior management positions as and when required. Currently, there is no formal succession plan in place.

Principle 4

Legal Compliance

206-1 | 307-1 | 419-1

Through its legal department, the Company ensures compliance to laws and regulations related to the organisation and its activities. Legal advice is also taken externally from legal advisors should the need arise from time to time. In 2021, no significant fines or non-monetary sanctions have been imposed for non-compliance with laws and regulations, including those pertaining to provision and use of products and services, environmental laws, anti-money laundering laws and regulations. There have also been no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.

Code of Business Conduct & Ethics

102-16 | 103-1 | 103-2 | 103-3 | 205-1 | 205-2 | 205-3 | 206-1

Omnicane's Employee Handbook and Code of Ethics provide guiding principles to its Directors, Management and employees to obey the law, respect others, be fair and honest and protect the environment. Omnicane employees include a diverse population of individuals with differing roles and functions, as well as ethnic and cultural backgrounds. As such, the Company values behaviour which respects the dignity and privacy of individuals, and which promotes fair dealing and representation both in action and perception. Omnicane condemns competitive behaviour or corruption practices and takes remedial action to address any such behaviours should they arise.

Interest Register, Conflicts of Interest and Related Party Transactions Policy

102-25

Directors are subject to a statutory duty under the Companies Act 2001 to avoid a situation where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests. The Company Secretary maintains an Interest Register, which is updated with every transaction entered into by Directors or their closely related parties and is available to shareholders upon written request being made to the Company Secretary. The related party transaction policy is not yet published on the website since at present, it is formally being drafted.

Directors' Interests

No of Shares held as at December 31, 2021

Directors	Direct	Indirect
Jacques M. D'UNIENVILLE, GOSK	67,000	-

None of the other directors have any direct/indirect interests in the Company's shares.

Directors' Remuneration and Performance

Remuneration Policy

102-35 | 102-36

The Board has delegated to the Corporate Governance Committee (which includes the Remuneration Committee) the responsibility of determining the adequate remuneration to be paid to the Non-Executive Chairperson of the Board, Non-Executive Directors, Executive Directors and Senior Management. The Corporate Governance Committee is guided by the following principles:

- Remuneration should reflect performance, complexity and responsibility with a view to attracting, motivating and retaining high performance individuals and promoting the enhancement of the value of the Company to its shareholders.
- Remuneration practices are benchmarked against external market data through the use of remuneration surveys to ensure staff are fairly remunerated.
- The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

It should be noted that non-executive directors receive fees but do not receive any performance-related remuneration. Directors are paid an annual fee for serving as members of the Board and Board Committees. They are also paid a meeting attendance allowance for each meeting they attended. Fees of Directors are subject to shareholders' approval at AGM. In 2021, the different directors' remuneration were as follows:

	Board Meeting Rs	Audit Committee Rs	Corporate Governance Rs	Risk Committee Rs	Property Development Committtee Rs	Investment Committee Fees Rs	Total Rs
Directors							
Didier MAIGROT	174,000	-	75,000	52,500	-	97,500	**399,000**
Jacques M. D'UNIENVILLE	174,000	-	-	-	105,000	97,500	**376,500**
Nelson MIRTHIL	174,000	-	-	-	105,000	-	**279,000**
Pierre M. D'UNIENVILLE	174,000	-	-	52,500	-	172,500	**399,000**
Harold MAYER	348,000	-	37,500	52,500	105,000	97,500	**640,500**
Bertrand THEVENAU	174,000	116,250	-	90,000	180,000		**560,250**
Jimmy TONG SAM	174,000	52,500	-	-	-	97,500	**324,000**
Preetam BOODHUN (Resigned in January 2022)	174,000	225,000	-	-	-	97,500	**496,500**
Bertrand BOULLE	174,000	131,250	-	-	-	-	**305,250**
Dineshrao BABAJEE	174,000	-	-	-	-	-	**174,000**
Bojrajsing BOYAMBOLI (Resigned in 2021)	79,500	-	-	-	-	-	**79,500**
Dhananjay KAWOL	87,000	-	-	-	-	-	**87,000**

Principle 4 (Cont'd)

Subsidiaries

COMPANY	OMH(BH) Rs	OTEOLB Rs	OTEOSA Rs	OMOL Rs
Directors				
Jacques M. D'UNIENVILLE	8,000	50,000	50,000	50,000
Nelson MIRTHIL	8,000	50,000	50,000	50,000
Eddie AH-CHAM	8,000			
S. MUNIAH	4,000			
D. PURSEED	4,000			
Jean François LOUMEAU		50,000	50,000	
Pascal LANGERON		50,000	50,000	
Louis DECROP		50,000	50,000	
Jerome JAEN		50,000	50,000	50,000
Jean-Pierre LAGARDE		25,000	25,000	
Anand SONOO		50,000	50,000	
Peter HOUGH				50,000
Rajiv RAMLUGON				50,000
Jhunput DARAMDEV				50,000
Chengen GESSAVAH	4,000			

Directors' Service Contracts

None of the Directors of the Company and of its subsidiaries have service contracts with the Company.

Contract of Significance

The Company has a management contract with Omnicane Management & Consultancy Limited, a wholly-owned subsidiary of the controlling shareholder, Omnicane Holdings Limited.

Directors' and Officers' Liability Insurance

Each Director is covered by appropriate Directors' and Officers' liability ("D&O") insurance, at the Company's expense. The D&O insurance covers the Directors and Officers against the costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings.

Share Option Plans

The Company has no share option plan.

Information Technology

The Board recognises that Information & Communication Technology is an integral part of the Group's strategy. To stay competitive and meet our customer expectations, Omnicane, not only ensures that we invest on appropriate information technologies, but we also have the right Governance framework, capabilities and leadership disciplines to execute our operational and strategic goals. In order to deliver value at an accelerated pace, we have therefore built a strong, flexible ecosystem, by engaging our people from different business units and IT partners to work together, creating a culture of innovation.

Adopting a business first, outcomes driven approach, the committees composing of IT and other functions in place, meet periodically to make the appropriate decision. The IT investment Project Steering Committee, composed of senior executive members, chaired by the CEO, the main sponsor, meets quarterly for major investment decisions, The committee communicates any investment initiatives to the board through the CFO and CEO and gives direction to the project management office.

The Project Management Office meets monthly, chaired by the CFO, role is to act as a facilitator, prioritize investments & accelerate project success as per business case.

For each major initiatives the team is further cascaded down, with the right mixed of IT and business resources to drive the projects.

To maintain business continuity, with the growing security risks, accelerated by the digitalisation of businesses, increasing automation of processes and growing number of connected devices, more security efforts, compliance and management are required to prevent disruption of ICT services.

Omnicane ensures that appropriate framework, information technology and information security governance is in place to maintain confidentiality, integrity and availability of business-critical applications and secure access to information assets. The IT Department is responsible for establishing and maintaining the information security program to ensure that information assets and associated technology, applications, systems, infrastructure, and processes are adequately protected in the digital ecosystem in which Omnicane operates. The IT department is also accountable for identifying, evaluating, and reporting on legal and regulatory, IT, and cybersecurity risk to information assets, while supporting and advancing business objectives.

The security systems such as virus scanners, firewall systems, access management, redundant systems and regular data backups are maintained and monitored at regular intervals with clear mixed responsibilities of in-house team and reliable partners though service level agreements.

Based on business needs for the financial year and collaboration with all stakeholders, a budget of all significant information technology expenditure is hence allocated annually, after approval by the Board.

The IT Security Policy is currently being reviewed to address the latest challenges and trends in the Information Technology world.

A Data Protection Policy is also being drafted and compliance to laws and regulations relating to data protection are being assessed to identify any gaps and gearing our capabilities to adhere to relevant stipulations with necessary steps undertaken to fill gaps identified.

Principle 5
Risk Governance and Internal Control
102-11 | 102-29

Risk Governance
The Board ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets and determines the nature and extent of the significant risks which Board is willing to take in achieving its strategic objectives.
Through its established Enterprise Risk Management framework and its Risk Committee, the Board is responsible for the following:

- ensuring that structures and processes are in place to effectively manage risks;
- identifying the principal risks and uncertainties that could potentially affect the Company and Group;
- ensuring that Management has developed and implemented the relevant framework;
- ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls;
- identifying any deficiencies in the internal control system; and ensuring that whistle-blowing rules and procedures are in place.

Internal Control
103-1 | 103-2 | 103-3

Based on the framework of risk management and internal controls established and maintained by the Group, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board is of the opinion that the Group's internal controls, including financial, operational and compliance controls, and risk management systems, are adequate to meet the needs of the Group in its current business environment. The effectiveness of the internal financial control systems and procedures are monitored by the Management. The details are set out in the integrated report on pages 86-87.

Whistle-blowing
Omnicane nurtures and encourages a working culture of integrity and good governance. Employees are encouraged to speak up and raise any suspicions of wrongdoing, malpractice or impropriety in the management of the Group's business and to promptly report them to Management. This is included in the Code of Ethics.

Principle 6
Reporting with Integrity
This Annual Report is an integrated report which has been prepared as per the International Integrated Reporting Council (IIRC)'s guidelines and the GRI standards. Concerning the financial statements, all applicable accounting standards have also been followed. The Directors are responsible for the preparation of the Annual Report including the annual financial statements in accordance with International Financial Reporting Standards, the Financial Reporting Act 2004 and in compliance with the Mauritius Companies Act 2001.
They consider that appropriate accounting policies are consistently applied and supported by reasonable and prudent judgements and estimates in preparing the financial statements.
The annual report is published in full on the company's website at **www.omnicane.com**.

Political Contributions
No political donations were made in 2021.
The Annual Report 2021 is published in full on the Group's website at **www.omnicane.com**.

Principle 7
Audit
Internal Audit

Operating within the mandate of its charter, the Internal Audit Department provides independent and objective assurance to the Board and the Audit Committee on the effectiveness and suitability of the internal control process. The Internal Audit Department has a Group-wide mandate and is currently headed by a fully qualified accountant, who is the Internal Audit Manager. The latter has a direct reporting line to the Chairman of the Audit Committee and also reports administratively to the CEO. At each meeting of the Audit Committee, he reports on the programme of review and findings and all internal audit issues within the Group, highlighting any deficiencies and recommending corrective measures.

In 2021, the internal audit areas focused on compliance review for Anti-Money Laundering and Combating the financing of Terrorism (AML/CFT) under relevant regulations. Other reviews included stores & inventory management, fixed assets management, retail sugar operations, payroll and procurement. It should be noted that the Internal Audit team has unrestricted access to key personnel, documents and records. The Internal Audit Plan is prepared following discussions with Management under the supervision of the Audit Committee, so as to maintain independence and objectivity and also avoid being directly involved in the day-to-day operations of the Company. The Internal Audit Manager is entitled to convene a special meeting of the Audit Committee in order to deal with any matter he deems urgent.

It is worth noting that its scope of work does not cover our associates such as MAREF Mon Tresor Investment 1 Ltd, Copesud (Mauritius) Ltée, Coal Terminal (Management) Co. Ltd, and Kwale International Sugar Co. Ltd. However, due to the outbreak of COVID-19 and travel restriction imposed by the Government in Mauritius, the Internal Audit Department could not perform reviews at the Airport Hotel.

External Audit
Deloitte currently serves as the external auditor for the Company. They are granted unrestricted access to all information that may be required in the execution of their duties and have direct access to the Audit Committee should they wish to discuss any matters privately. The Audit Committee manages the relationship with the External Auditor on behalf of the Board. It considers the reappointment of the External Auditor each year, as well as remuneration and other terms of engagement and makes a recommendation to the Board. It should be noted that non-audit services have not been provided by Deloitte in 2021.

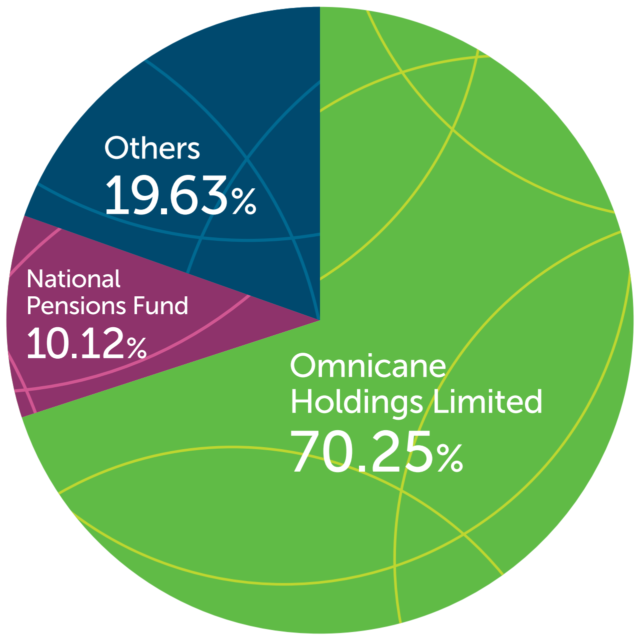
Principle 8
Relations with Shareholders and Other Key Stakeholders
Omnicane recognizes the importance of an effective stakeholder engagement mechanism so as to consider the needs and expectations of its different stakeholders and foster connections, trust, confidence, and buy-in in its key initiatives. This can help the Company to mitigate potential risks and conflicts, improve access to capital and insurance, cost savings and reduced vulnerability to regulatory changes, and better preparedness to meet customer exigencies. As such, the Company maintains an active and proactive communication approach with its shareholders and other stakeholders to facilitate mutual understanding of each other's objectives and expectations.

The different communication platforms used to reach out to shareholders and stakeholders are as follows but not limited to:

- Company's website and social media maintained by the Company.
- Corporate events and CSR programmes.
- Direct engagement via face-to-face meetings and conference calls
- Annual General Meeting

Shareholding Structure
102-5

The holding structure of the Company as at 31 December 2021 is as follows:



Substantial Shareholders
As at December 31, 2021, the following shareholders owned more than 5% of the issued share capital:

	No. of shares held	% Holding
Omnicane Holdings Limited	47,074,792	70.25
National Pensions Fund	6,784,944	10.12

Shareholders holding more than 5%

Name	Shareholding
Omnicane Holdings Limited	70.25
National Pensions Fund	10.12

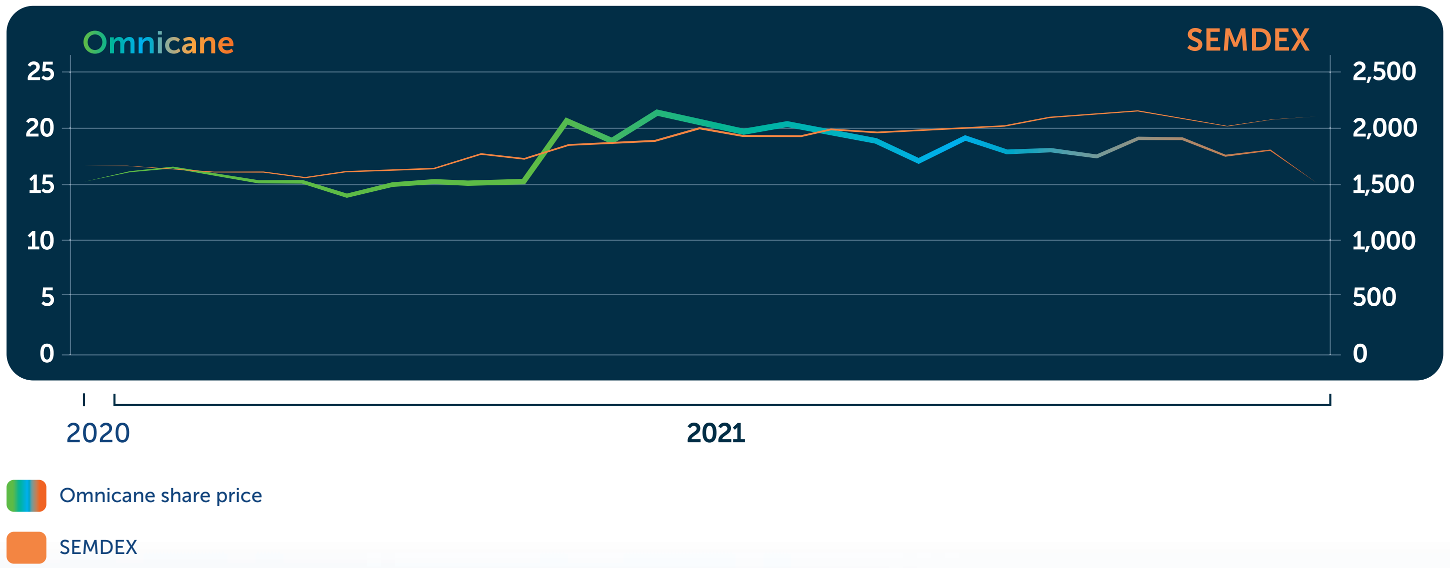
Shareholders' Analysis at December 31, 2021

Defined brackets	Shareholder count	Ordinary shares	Percentage
1-500	995	165,987	0.248
501-1,000	237	193,864	0.289
1,001-5,000	542	1,305,390	1.948
5,001-10,000	157	1,112,634	1.66
10,001-50,000	176	4,039,275	6.028
50,001-100,000	27	1,983,162	2.959
100,001-250,000	15	2,163,085	3.228
250,001-500,000	5	1,549,145	2.312
Over 500,000	3	54,499,862	81.328
Total	**2,157**	**67,012,404**	

Summary by Shareholder Category

	Count	Shares	%
Individuals	1,950	7,334,033	10.944
Insurance & assurance companies	4	249,295	0.372
Pension & provident funds	41	1,969,465	2.939
Investment & trust companies	15	147,249	0.22
Other corporate bodies	147	57,312,362	85.525
Total	**2,157**	**67,012,404**	

Principle 8 (Cont'd)
Shareholder Price Information
Omnicane Share Price V/S SEMDEX



Shareholders' Agreements

The Company is not aware of any shareholders' agreement.

Shareholders' Diary

Financial year-end – December
Annual Meeting – June

STATUTORY DISCLOSURES

YEAR ENDED DECEMBER 31, 2021

(PURSUANT TO SECTION 221 OF THE COMPANIES ACT 2001)

Nature of Business

The principal activities of the Group are electricity, raw sugar, refined sugar, ethanol production, hospitality, property development and logistics while the Company is engaged in sugarcane, other food crop cultivation and investment activities.

Directors

The persons who held office as Directors of the Company as at December 31, 2021 are:

Didier MAIGROT
Jacques M. D'UNIENVILLE, GOSK
Nelson MIRTHIL
Bertrand THEVENAU
Pierre M. D'UNIENVILLE
Preetam BOODHUN (Resigned in January 2022)
Jimmy TONG SAM
Harold MAYER
Bertrand BOULLE
Dineshrao BABAJEE
Bojrajsing BOYRAMBOLI (Resigned in July 2021)
Dhanandjay KAWOL

Remuneration and Benefits

Remuneration and benefits received from the Company and its subsidiaries were:

	Company		Subsidiaries	
Directors of Omnicane Limited	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Executive Directors (Full-Time) - 2	**655.5**	663	**316**	316
Non-Executive Directors - 9	**3,465**	2,865	**-**	-
Directors of Subsidiaries				
Executive Directors (Full time) (2021:7)	**-**	-	**674**	732
Non-Executive Directors (2020:13)	**-**	-	**412**	466

List of Directors & Interests (Direct and Indirect) as at December 31, 2021

	Direct	Indirect	Total	%
Jacques M. D'UNIENVILLE, GOSK	67,000	-	670,000	0.099

Reports and Profit Statements

Publications:

Quarterly reports & abridged end-of-year statements – March, May, August & November
Annual Report & Financial Statements – June

Dividend Policy

The Company does not have any predetermined dividend policy. Payment of dividends is subject to the profitability, cash flow, working capital, projected capital expenditure projections, and solvency requirements of the Company.

KEY EXECUTIVES' PROFILES

Jacques M. D'UNIENVILLE, GOSK

CHIEF EXECUTIVE OFFICER

Jacques M. d'Unienville holds a Bachelor's degree in Commerce from the University of Cape Town. Prior to joining Société Usinière du Sud (SUDS) as Chief Executive Officer in 2005, he was the Managing Director of Société de Traitement et d'Assainissement des Mascareignes. He has held office as Chief Executive Officer of MTMD (now Omnicane Limited) from 1 April 2007. He is the Chairperson of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited, Omnicane Milling Operations Limited and is a director of Real Good Food Company plc, Southern Cross Tourist Co Ltd and The Union Sugar Estates Co. Ltd. He is a board member of several sugar sector institutions in Mauritius and was the President of the Mauritius Sugar Producers Association in 2005, 2006, 2009, 2010 and was re-elected President in 2015. He was the President of the Mauritius Sugar Syndicate in 2012 and is the Vice President for the financial year 2020-2021.

Nelson MIRTHIL

CHIEF FINANCE OFFICER

Nelson Mirthil is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He started his career in the Audit Department of De Chazal du Mée before joining Ernst & Young, where he was promoted to Audit Manager. He gained broad financial experience through his involvement in mergers, acquisitions and special assignments in Africa. He has also acted as Fund Manager of the Mauritius Development Investment Trust (MDIT), a listed investment company. He joined Omnicane in 2003 as Chief Finance Officer. He is a board member of various companies, the main ones being Omnicane Milling Operations Limited, Omnicane Thermal Energy Operations (La Baraque) Limited, Omnicane Bio-Ethanol Operations Limited, Airport Hotel Ltd, Mon Trésor Smart City and the Sugar Insurance Pension Fund.

Eddie AH-CHAM

COMPANY SECRETARY

Eddie Ah-Cham is a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He has 21 years of experience in external and internal auditing and in corporate management. He started his career in the Audit Department of Kemp Chatteris Deloitte and was assistant accountant at Express Trading Company Ltd in 1995. He joined Mon Trésor & Mon Désert Ltd (now Omnicane) in 1996 as assistant accountant and served as Internal Audit Manager for 7 years before being promoted to the position of Company Secretary.

Jérôme JAEN

CHIEF EXECUTIVE OFFICER – AGRO-INDUSTRY & ENERGY

Mr Jaen holds an Engineer Diploma from Ecole des Mines de Nancy and an Engineer Diploma from Ecole Polytechnique. He has 20 years of experience in electricity production from cogeneration plants. He has managed several thermal power plants in Mauritius, Reunion Island, Guadeloupe and France and is currently the Group Chief Operations Officer. He is a board member of various companies within the Group, the main ones being Omnicane Milling Operations Limited, Omnicane Thermal Energy Operations (La Baraque) Limited, Omnicane Ethanol Holding Limited, Omnicane Logistic Operations Limited and Airport Hotel Ltd.

Rajiv RAMLUGON

GROUP CHIEF SUSTAINABILITY OFFICER

Rajiv Ramlugon holds a BTech (Hons) in Civil Engineering from the University of Mauritius, an MSc in Environmental Engineering with distinction from Newcastle University (UK) and an MBA in Global Sustainable Management from Anaheim University (California). He has 22 years of experience in the field of sustainability, including waste management, industrial-effluent treatment, biogas valorisation, and the implementation of quality management, environmental management and other management systems in the industry. Mr Ramlugon is also a member of the Global Association of Corporate Sustainability Officers (GACSO) and an Affiliate Member of the Institute of Environmental Management & Assessment (UK). Since 2018, he has also been appointed as the Chief Risk Officer of Omnicane.

Bertrand THEVENAU

CHIEF EXECUTIVE OFFICER – PROPERTIES, RETAIL & BRANDS

Bertrand Thevenau is the holder of a University diploma in Technology – International Marketing from Aix en Provence in France. He is a Board Member of Ciel Textile where he has spent the majority of his career in different leadership positions, the most recent of which was as Tropic Knits' Group CEO.
Since 2008, Bertrand has been one of the Non-Executive Independent directors of Omnicane. In July 2022, he has been appointed as an Executive Director of Omnicane and holds the title of Chief Executive Officer – Properties, Retail and Brands. He has wide experience in offshore production and exposure to international markets.

Oudesh SEEBARUTH

HEAD OF CORPORATE FINANCE & TREASURY

Oudesh Seebaruth is a Fellow of the Chartered Institute of Management Accountants (CIMA) and a Chartered Global Management Accountant (CGMA). He started his career in accounting and audit with Deloitte in 1984 and joined the Company in 1989. He occupied the post of Group Accountant till 2007 when he was promoted to his current position. He has extensive experience in financial reporting, risk management, mergers and acquisitions, business valuations, project financing and treasury management.

Jean-François LOUMEAU

GENERAL MANAGER – PROPERTY & PROJECTS

Jean-François Loumeau holds an MBA in Construction and Real Estate from Reading University (UK) and a bachelor's degree in Mechanical Engineering from the University of Cape Town (South Africa). He has also been awarded a postgraduate certificate in The Mechanics of Project Finance from Middlesex University. He has completed a certificate in Property Development and Investment from UCT. He is a registered engineer with the Engineering Council of South Africa and is an Associate Member of the South African Institute of Mechanical Engineering. He has 27 years of working experience in engineering and project management.

Josie LAPIERRE

HEAD OF HUMAN RESOURCES

Josie Lapierre holds a Diplôme d'Études Approfondies (DEA) in Management Science – Strategy & Management from IAE Lyon School of Management, a Master's in Business Administration (MBA) from IAE Lyon School of Management, France and a Diplôme Universitaire de Technologie (DUT) in Information Technology from IUT Lyon, France. She has 30 years of experience with leading private, public and volunteer organisations based in Mauritius, Africa and Europe cutting across industries in Strategy and Operations, Human Capital Management, Organisation Development, Leadership and Talent, Learning and Development and Business Process Management. She is a Fellow of The Chartered Management Institute (F.C.M.I.).

Peter L.M. HOUGH

SUGAR DEVELOPMENT EXECUTIVE

Peter Hough joined Omnicane in 2015. He has spent almost all of his career in the sugar industry, mainly in trading, sales and in management roles at Board level. He has a broad experience in the branding, marketing and design of retail and foodservice products. He has developed business activities in sourcing sugar from around the world for sale in the EU and on the world market and is well-known for reporting on both the EU and global sugar markets.

Christophe TOULET

HEAD OF LEGAL SERVICES

Christophe Toulet holds a Master's degree in business, corporate, contractual and commercial law and has 13 years' experience in the legal field. After having started his career in Reunion Island as an associate of one of the two insolvency practitioners, he worked in BLC Robert & Associates Law firm before joining PLCJ Law firm where he was a partner.

Christophe BARBÈS POUGNET

HEAD OF BUSINESS DEVELOPMENT

Christophe holds a BCom in Financial Management from the University of South Africa, a professional qualification in treasury from the chartered Association of Corporate Treasurers (UK), and an LLM (Master of Laws) from Université Panthéon-Assas (Paris II). Before joining the Group, he worked as Product Leader within the Project Finance department of The Mauritius Commercial Bank Ltd, where he has spent twelve years in the corporate banking and project financing sectors.

KEY EXECUTIVES' PROFILES (CONT'D)

Kevin PADIACHY
HEAD OF AFRICA DESK

Kevin Padiachy holds a B.Eng (Hons) degree in Chemical & Environmental Engineering, a postgraduate diploma in International Business Management and a master's degree in Business Administration from the University of Mauritius. He also holds a postgraduate certificate in The Mechanics of Project Finance from Middlesex University. He has over 19 years of work experience in regional trade, international business and project management in energy and industrial sectors.

Rudley LUTCHMANEN
GROUP FINANCE MANAGER

Rudley Lutchmanen is a fellow member of the Association of Chartered Certified Accountants (ACCA) and holds an MSc degree in Finance. He started his career in the Assurance Department of Ernst & Young before joining the company in 2004. He has more than 22 years of experience in auditing, financial reporting, project financing and treasury management.

Maurice REGNARD
CHIEF PROCUREMENT OFFICER

Maurice Regnard is a member of the Chartered Institute of Procurement & Supply. In his 30-year career, he has engaged in trading activities in which he sharpened his negotiation and leadership skills. He has held managerial positions for 20 years. At Omnicane, he heads the Procurement team while also playing a leading role in the digital transformation and cost optimisation projects.

Avinash DOOKHUN
GROUP IT MANAGER

Avinash Dookhun holds an MBA from the University of Mauritius, an Honours degree in Information Technology from the British Computer Society (BCS) (UK) and a Brevet de Technicien en Electrotechnique from Lycée Polytechnique Sir Guy Forget (Mauritius). He has also achieved several professional certifications from Microsoft, HP and The City & Guilds of London Institute. He has 29 years of work experience in IT.

Navin MOHUN
INTERNAL AUDIT MANAGER

Navin Mohun is a Certified Internal Auditor (CIA) from the Institute of Internal Auditors, a Fellow Member of the Association of Chartered Certified Accountants (FCCA). He also holds a BSc in Accounting and Finance from the University of Mauritius. He started his career in the Audit Department of Deloitte before joining the Company in 2005. He has 16 years of experience in internal and external auditing.

AGRICULTURAL OPERATIONS
Patrick MAMET
GENERAL MANAGER – AGRICULTURE

Patrick Mamet has 40 years of experience in site management in the sugar industry.

MILLING OPERATIONS
Jean Luc CABOCHE
GENERAL MANAGER – MILLING & LOGISTICS

Jean Luc Caboche holds an Advanced Diploma in Business Management from the Association of Business Executive (UK) and a Master in Business Administration from the Heriot-Watt University (UK). He has 30 years of experience in Factory Management, Maintenance and Operations locally and abroad.

MILLING OPERATIONS (Cont'd)
Lindsay DAVY
GENERAL MANAGER – REFINERY

Lindsay Davy holds a Diploma in Agriculture and Sugar Technology, a BSc in Sugar Engineering and an MSc in Project Management from the University of Mauritius. He has more than 32 years of experience in the sugar industry, in process management and as a chemist.

THERMAL ENERGY OPERATIONS
Jean Michel GÉRARD
GENERAL MANAGER –LA BARAQUE POWER PLANT

Till August 2022

Jean Michel Gérard joined Omnicane Thermal Energy Operations (La Baraque) in 2018 and has considerable experience in the management of power plants. After working for the French navy for 15 years, he continued his career for the last 31 years with the Albioma Group, an independent power producer.

Rishi KAPOOR
GENERAL MANAGER –LA BARAQUE POWER PLANT

As from August 2022

Rishi Kapoor holds a BEng (Hons) in Mechanical Engineering, an MSc in Industrial Engineering & Management from University of Mauritius, an MBA International Paris from Université Paris-Dauphine and Université Paris1 Panthéon-Sorbonne. Prior to becoming the General Manager at Omnicane's Thermal Energy Operations (La Baraque) Ltd in August 2022, Rishi was the Maintenance Manager for 5 years before transitioning to Deputy General Manager in 2017. He has more than 22 years' experience in thermal power plants.

Frédéric ROBERT
POWER PLANT MANAGER – ST AUBIN

Frédéric Robert is an experienced power plant specialist with 19 years of experience in the management of thermal power plants.

BIO-ETHANOL OPERATIONS
Jean-Pierre ROUILLARD
GENERAL MANAGER – DISTILLERY

Jean-Pierre Rouillard holds a Diploma in Management (Surrey, UK) and has 30 years of experience in production management across different fields. He has broad experience of the industrial sector in Mauritius and Omnicane Bio-Ethanol Operations Limited in 2013.

HOLIDAY INN MAURITIUS MON TRÉSOR
Jean-Laurent ASTIER
GENERAL MANAGER

Jean-Laurent Astier studied at the reputable Glion Institute of Higher Education in Switzerland. He landed his first job as Head of Stewarding at Hotel Martinez in Cannes. He then took employment as Assistant Director with Société des Bains de Mer in Monaco. He came to Mauritius in the mid-nineties to work as Resident Manager at Ambre Hotel (Apavou Group). Afterwards, he spent four years at DCDM as Hospitality Consultant where he dealt with customers in the African region. Mr Astier briefly worked at the Sofitel Imperial Hotel in Mauritius before returning to France as Director for an Accor Group hotel with thalassotherapy facilities. He came back in 2003 as General Manager of Alizée Resort Management (Cardinal Exclusive Resort) prior to joining Holiday Inn Mauritius Mon Trésor in July 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Responsibilities in Matters of Financial Statement

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company and its subsidiaries. In preparing those financial statements, the Directors are required to:

- keep adequate accounting records;
- select suitable accounting policies and estimates and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, subject to any material departures being disclosed and explained in the Notes to the Financial Statements; and
- prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Company and any of its subsidiaries will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. They also confirm that most of the requirements of the National Code of Corporate Governance 2016 have been adhered to. Reasons have been provided where there has not been compliance. The Directors are responsible for safeguarding the assets of the Company and the Group, and hence for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and errors, and maintenance of an effective risk management system.

The Internal Audit Manager works according to an Internal Audit Plan which aims at covering over a period of time all operations of the Company and its subsidiaries by effecting regular visits on site, verifying that management controls and procedures are in place and followed, and providing corrective measures where weaknesses are detected.

The Internal Audit Manager writes a report on investigations, findings and recommendations after each site visit. At each meeting of the Audit Committee, which usually precedes a Board meeting, the Internal Audit Manager tables reports that are considered and approved by the Audit Committee. At the next Board meeting, the Chairperson of the Audit Committee apprises the Board of the workings of the Internal Audit Department.

The Group's external auditor, Deloitte has full access to the Board of Directors and its Committees and discuss the audit as well as matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls. The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Harold MAYER
CHAIRPERSON

Jacques M. D'UNIENVILLE, GOSK
CHIEF EXECUTIVE OFFICER

CERFTIFICATE OF SECRETARY
DECEMBER 31, 2021

I certify to the best of my knowledge and belief that the Company has filed with the Registrar of Companies all such returns as required of the Company under Section 166 (d) of the Mauritius Companies Act 2001.

Eddie AH-CHAM, FCCA
for Omnicane Management & Consultancy Limited
Secretaries

08 CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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

Independent auditor's report to the Shareholders of Omnicane Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **Omnicane Limited** (the "Company" and the "Public Interest Entity") and its subsidiaries, associates and joint ventures (collectively referred as the "Group") set out on pages 3 to 76, which comprise the consolidated and separate statements of financial position as at December 31, 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including 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 December 31, 2021, 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 Accountant's Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA code"), and we have fulfilled our other ethical responsibilities in accordance with 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 judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of investment in subsidiaries	
In the Company's separate financial statements, investment in subsidiaries are carried at cost less impairment in accordance with IAS 36. At December 31, 2021, the Company holds investment in subsidiaries which amounted to Rs 1.46 billion as disclosed in Note 19. Management determines at the end of each reporting period the existence of any indication of impairment of the Company's investment in subsidiaries. If there are indicators of impairment, management would assess the recoverable amounts of the investments. The recoverable amount is determined based on the discounted cash flow projections. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as projection on future income, terminal growth rate and discount rates. As the determination of impairment by management involves significant assumptions and judgement, we considered this as a key audit matter.	We evaluated the Management's determination of internal and external indicators of impairment for investment in subsidiaries. With respect to the impairment models, we involved our valuation specialists to: • assess and challenge the discounted cash flow model and key assumptions used; • assess the reasonableness of the forecast in line with the latest management strategy; and • test the mathematical accuracy of the model. We performed independent sensitivity calculations to determine the impact of possible changes in key assumptions. We also assessed the adequacy of the disclosures made in the financial statements.

Deloitte.

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Independent auditor's report to the Shareholders of Omnicane Limited (Cont'd)

Report on the audit of the consolidated and separate financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
Recoverability of receivables from related companies	
The Group and the Company have receivables from related companies amounting to Rs 2.6 bn and Rs 6.0 bn respectively as at December 31, 2021 as disclosed in Note 23. The Group and the Company have assessed the recoverability of the receivables from related parties and an impairment loss of Rs 10.5 m and Rs 75.3 m has been recognised respectively during the year. Management also made this assessment based on cash flow forecasts of the respective related parties. Recoverability of intercompany loans remains a matter of significance in our audit due to the level of judgement involved, the magnitude of the intercompany loans as well as uncertainties inherent in estimating the recoverable amounts. Due to the significance of the balance involved and the nature of judgements and assumptions used in the preparation of the cash flow forecasts, we considered this as a key audit matter.	We evaluated management's assessment of the recoverability of the receivables from related parties. We challenged management on the key judgements and assumptions used in preparing the cash flow forecasts. We involved our internal experts to independently validate the assumptions used. We performed sensitivity test on significant inputs to assess range of acceptable results. We also assessed the appropriateness and completeness of the related disclosures in the financial statements.
Impairment of property, plant and equipment	
At December 31, 2021, indicators of impairment were identified in the subsidiary in Rwanda whose financial position was impacted by cost overrun incurred. As per the requirements of IAS 36 Impairment of Assets, an impairment assessment should be undertaken when internal and external factors indicate a potential impairment. The Group has recorded an impairment on property, plant and equipment of the subsidiary amounting to Rs 170.6m at December 31, 2021 as detailed in Note 15. The impairment assessment and the calculation of the recoverable amount is subject to significant judgement and estimate which include the selection of the appropriate impairment model to be used, determination of the expected future cash flows from the business, setting appropriate terminal growth rates and selection of the appropriate discount rate. Accordingly, we considered this as a key audit matter.	We evaluated Management's assessment of internal and external indicators of impairment of property, plant and equipment. With respect to the impairment models, we involved our internal valuation specialists to: • assess and challenge the discounted cash flow model and key assumptions used; • assess the reasonableness of the forecast in line with the latest management strategy; and • test the mathematical accuracy of the model. We performed independent sensitivity calculations to determine the impact of possible changes in key assumptions. We also assessed the adequacy of the disclosures made in the financial statements.

Other information

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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Independent auditor's report to the Shareholders of Omnicane Limited (Cont'd)

Report on the audit of the consolidated and separate financial statements (Cont'd)

Other information

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

Corporate governance report

Our responsibility under 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.

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 the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Deloitte.

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Mauritius

Independent auditor's report to the Shareholders of Omnicane Limited (Cont'd)

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

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

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

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

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

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

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

Deloitte
Chartered Accountants
17 June 2022

Rajeev Tatiah, FCCA
Licensed by FRC

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Revenue	5	**5,378,455**	4,469,800	**310,202**	195,670
Gain in fair value of consumable biological assets	26	**46,350**	22,526	**27,949**	20,249
Other operating income	6	**70,058**	84,070	**49,356**	52,556
		5,494,863	4,576,396	**387,507**	268,475
Operating expenses	7	**(5,129,080)**	(4,354,707)	**(383,250)**	(412,180)
Operating profit/(loss)		**365,783**	221,689	**4,257**	(143,705)
Impairment of assets and allowance for credit losses	12	**(258,275)**	(2,009,348)	**(81,322)**	(3,164,918)
Investment income	8	**8,049**	9,457	**268,206**	242,691
Other gains and losses	9	**(96,400)**	(250,786)	**(33,951)**	(42,968)
Finance costs	10	**(545,610)**	(629,245)	**(397,151)**	(451,664)
Other non-operating income/(expenses)	11	**(166,353)**	(69,230)	**327,212**	(73,551)
Share of results in associates	20	**212**	(31,055)	**-**	-
Share of results in joint ventures	21	**862**	(3,879)	**-**	-
(Loss)/profit before taxation		**(691,732)**	(2,762,397)	**87,251**	(3,634,115)
Income tax charge	13(a)	**(49,664)**	(165,267)	**-**	(60,913)
(Loss)/profit for the year from continuing operations		**(741,396)**	(2,927,664)	**87,251**	(3,695,028)
Discontinued operations					
Loss for the year from discontinued operations	45	**(128,859)**	(280,012)	**-**	-
(Loss)/profit for the year		**(870,255)**	(3,207,676)	**87,251**	(3,695,028)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Translation differences arising on foreign operations		**11,537**	(3,108)	**-**	-
Items that will not be reclassified to profit or loss:					
Changes in fair value of equity instruments at fair value through other comprehensive income	22	**3**	(538)	**3**	(4)
Change in value of land conversion rights	18	**30,658**	(48,846)	**10,939**	(17,428)
Revaluation surplus on land	15	**-**	1,917,179	**-**	1,855,518
Remeasurements of retirement benefit obligations	33	**160,042**	(101,270)	**74,142**	(51,118)
Deferred tax effect on remeasurements of retirement benefit obligations	24(c)	**45**	(7,109)	**-**	(7,344)
Other comprehensive income for the year		**202,285**	1,756,308	**85,084**	1,779,624
Total comprehensive (loss)/income for the year		**(667,970)**	(1,451,368)	**172,335**	(1,915,404)
(Loss)/profit attributable to:					
Owners of the parent		**(902,812)**	(3,056,241)	**87,251**	(3,695,028)
Non-controlling interests		**32,557**	(151,435)	**-**	-
		(870,255)	(3,207,676)	**87,251**	(3,695,028)
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		**(725,230)**	(1,289,061)	**172,335**	(1,915,404)
Non-controlling interests		**57,260**	(162,307)	**-**	-
		(667,970)	(1,451,368)	**172,335**	(1,915,404)
Loss per share (Rs.)	14	**(13.47)**	(45.61)		

The notes on pages 122-183 form an integral part of these financial statements.
Auditor's report on pages 114-117.

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	Notes	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	**11,827,676**	14,076,355	**4,883,340**	6,865,856
Right-of-use assets	16	**406,182**	419,961	**165,556**	190,536
Investment properties	17	**-**	2,394,207	**-**	-
Intangible assets	18	**898,869**	927,606	**127,624**	116,706
Investment in subsidiaries	19	**-**	-	**1,455,481**	3,420,649
Investment in associates	20	**11,137**	10,925	**8,387**	9,339
Investment in joint ventures	21	**1,449**	42,154	**-**	-
Financial assets at fair value through other comprehensive income	22	**31**	28	**28**	25
Financial assets at amortised cost	23	**19,589**	-	**2,351,774**	2,262,595
Total non-current assets		**13,164,933**	17,871,236	**8,992,190**	12,865,706
Current assets					
Inventories	25	**2,015,435**	1,969,012	**786,414**	812,258
Consumable biological assets	26	**109,288**	62,938	**71,362**	43,413
Trade receivables	27	**606,113**	795,077	**85,253**	54,228
Financial assets at amortised cost	23	**730,287**	1,102,116	**494,995**	1,217,028
Current tax assets	13	**14,639**	1,800	**-**	-
Cash in hand and at bank	39(d)	**494,832**	563,031	**152,527**	275,794
Total current assets		**3,970,594**	4,493,974	**1,590,551**	2,402,721
Non-current assets classified as held for sale	28	**1,868,883**	-	**1,868,883**	-
Total assets		**19,004,410**	22,365,210	**12,451,624**	15,268,427
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	29	**502,593**	502,593	**502,593**	502,593
Share premium		**292,450**	292,450	**292,450**	292,450
Revaluation and other reserves	30	**5,311,771**	6,668,541	**6,369,292**	6,345,662
Accumulated losses		**(212,899)**	(844,364)	**(695,887)**	(844,592)
Owners' interests		**5,893,915**	6,619,220	**6,468,448**	6,296,113
Non-controlling interests	37	**829,504**	780,819	**-**	-
Total equity		**6,723,419**	7,400,039	**6,468,448**	6,296,113
LIABILITIES					
Non-current liabilities					
Borrowings	31	**4,340,910**	3,303,652	**2,427,079**	944,292
Lease liabilities	32	**290,438**	297,149	**185,181**	192,720
Deferred tax liabilities	24	**326,514**	335,919	**-**	-
Retirement benefit obligations	33	**368,047**	538,069	**191,255**	271,187
Total non-current liabilities		**5,325,909**	4,474,789	**2,803,515**	1,408,199
Current liabilities					
Payable to related parties	34	**177,364**	239,990	**617,813**	737,691
Trade and other payables	35	**2,941,227**	2,713,809	**1,061,579**	1,205,369
Current tax liabilities	13	**7,066**	16,409	**-**	-
Derivative financial instruments	36	**-**	3,655	**-**	3,655
Borrowings	31	**3,750,988**	7,468,040	**1,477,756**	5,596,424
Lease liabilities	32	**78,437**	48,479	**22,513**	20,976
Total current liabilities		**6,955,082**	10,490,382	**3,179,661**	7,564,115
Total equity and liabilities		**19,004,410**	22,365,210	**12,451,624**	15,268,427

The financial statements have been approved for issue by the Board of Directors on: 31 May 2022

Harold MAYER
Chairperson

Jacques M. D'UNIENVILLE, G.O.S.K.
Chief Executive Officer

The notes on pages 122-183 form an integral part of these financial statements.
Auditor's report on pages 114-117.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2021

THE GROUP

	Attributable to owners of the parent						
	Share capital Rs'000	Share premium Rs'000	Revaluation & other reserves Rs'000	Accumulated losses Rs'000	Owners' interests Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At January 1, 2021	**502,593**	**292,450**	**6,668,541**	**(844,364)**	**6,619,220**	**780,819**	**7,400,039**
Total comprehensive income for the year:					-		
- Loss for the year	-	-	-	**(902,812)**	**(902,812)**	**32,557**	**(870,255)**
- Other comprehensive income for the year	-	-	**177,582**	-	**177,582**	**24,703**	**202,285**
Transfer from revaluation reserve to retained earnings	-	-	**(1,533,044)**	**1,533,044**	-	-	-
Contribution by non-controlling interest (Note 38)	-	-	-	-	-	**19,425**	**19,425**
Reclassification during the year	-	-	**(1,308)**	**1,233**	**(75)**	-	**(75)**
Dividends (Note 38)	-	-	-	-	-	**(28,000)**	**(28,000)**
At December 31, 2021	**502,593**	**292,450**	**5,311,771**	**(212,899)**	**5,893,915**	**829,504**	**6,723,419**
At January 1, 2020	502,593	292,450	4,910,376	2,202,862	7,908,281	1,021,526	8,929,807
Total comprehensive income for the year:							
- Loss for the year	-	-	-	(3,056,241)	(3,056,241)	(151,435)	(3,207,676)
- Other comprehensive income for the year	-	-	1,767,180	-	1,767,180	(10,872)	1,756,308
Transfer from revaluation reserve to retained earnings	-	-	(9,015)	9,015	-	-	-
Dividends (Note 38)	-	-	-	-	-	(78,400)	(78,400)
At December 31, 2020	502,593	292,450	6,668,541	(844,364)	6,619,220	780,819	7,400,039

The notes on pages 122-183 form an integral part of these financial statements.
Auditor's report on pages 114-117.

THE COMPANY

	Share capital Rs'000	Share premium Rs'000	Revaluation & other reserves Rs'000	Accumulated losses Rs'000	Total Rs'000
At January 1, 2021	**502,593**	**292,450**	**6,345,662**	**(844,592)**	**6,296,113**
Profit for the year	-	-	-	**87,251**	**87,251**
Other comprehensive income for the year	-	-	**85,084**	-	**85,084**
Transfer from revaluation reserve to retained earnings	-	-	**(61,454)**	**61,454**	-
At December 31, 2021	**502,593**	**292,450**	**6,369,292**	**(695,887)**	**6,468,448**
At January 1, 2020	502,593	292,450	4,575,053	2,841,431	8,211,527
Loss for the year	-	-	-	(3,695,028)	(3,695,028)
Adjustment	-	-	-	(10)	(10)
Other comprehensive income for the year	-	-	1,779,624	-	1,779,624
Transfer from revaluation reserve to retained earnings	-	-	(9,015)	9,015	-
At December 31, 2020	502,593	292,450	6,345,662	(844,592)	6,296,113

The notes on pages 122-183 form an integral part of these financial statements.
Auditor's report on pages 114-117.

STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

		THE GROUP		THE COMPANY	
	Notes	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cash generated from/(absorbed by) operating activities					
Operating profit/(loss) before working capital changes	39(a)	**644,986**	340,737	**22,604**	(177,090)
Working capital requirements	39(b)	**321,548**	434,129	**(4,793)**	(497,308)
		966,534	774,866	**17,811**	(674,398)
Interest paid		**(545,610)**	(629,245)	**(362,622)**	(405,913)
Net tax paid	13(b)	**(81,220)**	(129,656)	-	-
Tax refund	13(b)	-	3,195	-	(75)
Net cash generated (used in)/from operating activities		**339,704**	19,160	**(344,811)**	(1,080,386)
Cash flows from investing activities					
Purchase of property, plant and equipment	15	**(382,847)**	(255,418)	**(21,551)**	(16,303)
Purchase of intangible assets	18	**(6,023)**	(305)	-	-
Acquisition of right of use assets	16	**(4,014)**	(1,213)	**(1,189)**	(1,213)
Acquisition of investment properties	17	-	(21)	-	-
Proceeds from sale of land – net		**205,983**	324,637	**205,983**	321,537
Proceeds from sale of intangible assets		**15,365**	7,571	-	-
Proceeds from sale of plant and equipment		**9,714**	5,541	**912**	419
Proceeds from disposal of investment in subsidiary	44	**2,414,647**	-	**2,414,647**	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	119,253	-	-
Interest received		**8,049**	9,457	**138,206**	402,291
Dividends received from subsidiary companies		-	-	**130,000**	71,500
Dividends received from financial assets at FVOCI		-	-	-	-
Net cash generated from investing activities		**2,260,874**	209,502	**2,867,008**	778,231
Cash flows from financing activities					
Dividends paid to minority shareholders		**(28,000)**	(78,400)	-	-
Payments of long-term and short-term borrowings	39(c)	**(1,752,125)**	(2,046,971)	**(1,911,497)**	(158,340)
Proceeds from long-term and short-term borrowings	39(c)	**485,818**	1,993,696	**1,278,600**	866,189
Principal paid on lease liabilities	39(c)	**(35,386)**	(42,520)	**(19,605)**	(21,040)
Proceeds from import loans	39(c)	**514,754**	64,966	-	-
Repayment of bonds	39(c)	**(1,595,078)**	-	**(1,595,078)**	-
Repayment of private placement		**(300,173)**	-	**(300,173)**	-
Derivative financial instruments	36	**(3,655)**	(625)	**(3,655)**	(625)
Acquisition of shares by non-controlling interests		**19,425**	-	-	-
Net cash (used in)/generated from financing activities		**(2,694,420)**	(109,854)	**(2,551,408)**	686,184
Movements in cash and cash equivalents		**(93,842)**	118,808	**(29,211)**	384,029
At January 1,		**(727,970)**	(1,002,603)	**(736,981)**	(1,169,234)
(Decrease)/increase		**(93,842)**	118,808	**(29,211)**	384,029
Effect of foreign exchange rate changes	39(c)	**134,843**	155,825	**31,376**	48,224
At December 31, 2021	39(d)	**(686,969)**	(727,970)	**(734,816)**	(736,981)

The notes on pages 122-183 form an integral part of these financial statements.
Auditor's report on pages 114-117.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

1 GENERAL INFORMATION

Omnicane Limited (the "Company") is a public limited liability company incorporated and domiciled in Mauritius. The address of its registered office is Omnicane House, Mon Tresor Business Gateway, New Airport Access Road, Plaine Magnien.

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

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Adoption of new and revised standards

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

In the current year, the Group and Company have applied all of the new and revised Standard and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2021.

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 these 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.

IFRS 7 Financial Instruments: Disclosures – Amendments regarding replacement issues in the context of the IBOR reform

IFRS 9 Financial Instruments – Amendments regarding replacement issues in the context of the IBOR reform

IFRS 16 Lease – Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

IFRS 16 Lease – Amendments regarding replacement issues in the context of the IBOR reform

New and revised Standards and Interpretations in issue but not yet effective

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

IAS 1 Presentation of Financial Statements – Amendment to defer the effective date of the January 2020 amendments (effective January 1, 2023)

IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities (effective January 1, 2023)

IAS 1 Presentation of Financial Statements – Amendments regarding the disclosure of accounting policies (effective January 1, 2023)

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)

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 (effective January 1, 2022)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Amendments regarding the costs to include when assessing whether a contract is onerous (effective January 1, 2022)

IFRS 3 Business Combinations – Amendments updating a reference to the Conceptual Framework (effective January 1, 2022)

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) (effective January 1, 2022)

IFRS 16 Lease – Amendment to extend the exemption from assessing whether a COVID-19–related rent concession is a lease modification (effective April 1, 2021)

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

2.2 Basis of preparation

Statement of compliance

The consolidated and separate financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and in compliance with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The financial statements of Omnicane Limited and its subsidiaries comply with the Mauritius Companies Act 2001 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 subsidiaries (collectively referred to as the "Group") and the separate financial statements of the parent company (the "Company"). The consolidated financial statements are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs'000), except where otherwise indicated.

Where necessary, comparative figures have been amended to conform with changes in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

(i) Land which is carried at revalued amount;

(ii) Investment properties are carried at fair value;

(iii) Relevant financial assets and financial liabilities are stated at fair value and/or at amortised cost; and

(iv) Consumable biological assets are stated at fair value.

2.3 Revenue recognition

(a) Revenue from contracts with customers

(i) Performance obligations and timing of revenue recognition

The majority of the revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually will have a present right to payment and retains none of the significant risks and rewards of the goods in question.

(ii) Sale of goods and services

Determining the transaction price

The Group's revenue is mostly derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with reductions given for bulk orders placed at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the group is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

Each contract has a fixed price which is correspondingly allocated to performance obligations.

Revenue represents the gross proceeds of sugar, molasses and bagasse, the sale of electricity and steam, ethanol, proceeds from sale of land and morcellement lots and revenue derived from hotel operations.

Cane activities

The performance obligation relating to the sale of sugar and by-products is satisfied upon delivery of those goods. At the grower stage, control of the goods passes when the delivery truck crosses the weighbridges. At the miller and refiner stage, control of the goods passes to the customer upon delivery.

Sugar, molasses and bagasse proceeds are recognised on total production of the crop year. Sugar, molasses and bagasse prices are based on prices recommended by the Mauritius Cane Industry Authority for the crop year after consultation with the Mauritius Sugar Syndicate. The difference between the recommended price and the final price is reflected in the financial year in which it is established.

NOS Operations

Principal versus agent considerations

A number of the Group's contracts include promises in relation to refining activities undertaken on behalf of customers at a margin. For such activity, management exercises judgement in the consideration of principal versus agent based on an assessment as to whether the Group controls the relevant goods or services under the performance obligations prior to transfer to customers. Factors that influence this judgement include the level of responsibility the Group has under the contract for the provision of the goods or services, the extent to which the Group is incentivised to fulfil orders and the extent to which the Group exercises responsibility in determining the selling price of the goods and services. Taking all factors into consideration, the Group then comes to a judgement as to whether it acts as principal or agent on a performance obligation-by-performance obligation basis. Note that any changes in this judgement would not have a material impact on profit.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Revenue recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

(ii) Sale of goods and services (cont'd)

Power activities

The Energy cluster generates revenue from the sale of electricity and steam, which is recognised over time as and when distributed on the grid and to the group's industrial cluster.

Ethanol activities

The ethanol distillery recognises revenue from the sale of neutral alcohol, heads & tails and concentrated molasses stillage and carbon food grade dioxide as and when it is shipped, and/or control passes over to the client.

Property development

Revenue is recognised when control over the land has been transferred to the customer, that is, when the legal title has passed to the customer upon signature of the "Acte de Vente". Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The revenue is measured at the transaction price agreed under the contract.

Hospitality services

Revenue is recognised overtime and duration of the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer.

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

(i) Rental income is recognised on a straight line basis over the lease term.

(ii) Management fees are recognised when the control of services is transferred to the customer at an amount that reflects the condition to which the group expects to be entitled in exchange of those services.

(iii) Dividend income derived from investments held in equity instruments is recognised in profit or loss in accordance with IFRS 9, unless the dividend clearly represent a recovery of part of the cost of the investment.

2.4 Property, plant and equipment

Freehold land is stated at fair value, based on valuations by external independent valuers. Buildings held for use in the production or supply of goods or for administrative purposes, are stated at historical cost, less subsequent depreciation for buildings. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Properties in the course of construction for production, 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. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Bearer plants comprising sugar cane ratoons and plantation costs are capitalised and amortised over the period during which the Group expects to benefit from the asset, usually 7 years. The Group and the Company account for bearer plants in the same way as property, plant and equipment.

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 lives as follows:

Buildings	2–5.5 %
Power, plant and equipment	5–10 %
Refinery plant	5 %
Factory, plant and equipment	2–20 %
Distillery plant	4 %
Bearer plants	14 %

Freehold land is not depreciated.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. The gain or loss arising on the disposals or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss. On disposal of revalued assets, the amounts included in revaluation surplus relating to that asset are transferred to retained earnings.

2.5 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the properties (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the properties are derecognised.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value (NRV).

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

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

- Freehold land
- Amounts paid to contractors for development
- Planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related cost.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs necessary to make the sale.

2.6 Intangible assets

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

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

(a) Computer software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software and are amortised using the straight line method over their estimated useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Intangible assets (cont'd)

(b) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less impairment losses, if any.

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

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(c) Land conversion rights obtained under the following schemes as per the provision of the Sugar Industry Efficiency Act (SIE Act)

(i) Blue print on centralisation of milling operations

Expenditure incurred in connection with costs of land and all other associated costs under the Blue Print on centralisation of milling operations are capitalised as 'Intangible assets' and are carried at cost less impairment losses. The carrying amount is tested annually for impairment, based on the estimated selling price of land conversion rights. If the carrying amount is less than the net realisable value, an impairment loss is recognised in profit and loss.

(ii) Closure of factories

Expenditure incurred in connection with the closure of factories are capitalised as 'Intangible assets' and are carried at cost less impairment losses. The carrying amount is tested annually for impairment, based on the estimated selling price of land conversion rights. If the carrying amount is less than the net realisable value, an impairment loss is recognised in profit and loss.

(iii) Voluntary Retirement Scheme

Expenditure incurred under the sugar reform in line with the provisions of the Sugar Industry Efficiency (SIE) Act is initially recognised at cost and subsequently measured at revalued amounts at each reporting date based on the estimated selling price of land conversion rights. If the carrying amount is less than the net realisable value, a decrease in fair value is recognised in OCI/revaluation reserve.

(iv) Recoup of project costs incurred – Factory Modernisation

Land conversion rights obtained in provisions of the Sugar Industry Efficiency (SIE) Act is initially recognised at fair value and subsequently measured at revalued amounts at each reporting date based on the estimated selling price of land conversion rights. If the carrying amount is less than the net realisable value, a decrease in fair value is recognised in OCI/revaluation reserve.

(d) Legal and professional costs in respect of Power Purchase Agreement (PPA)

The two energy generating entities, Omnicane Thermal Energy Operations (St Aubin) Limited and Omnicane Thermal Energy Operations (La Baraque) Limited incurred costs in relation to the Power Purchase Agreements (PPA) they both have with the Central Electricity Board. These legal and professional fees have been treated as intangible assets and are amortised over the term of each contract, which are for a 20 year period.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(e) Energy Management Contract

Omnicane Milling Operations Limited acquired the rights to the management contract of Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) Limited, two energy generating entities. This management contract will run for a period of twenty years in line with the provisions of the Purchasing Power Agreement between Omnicane Thermal Energy Operations (La Baraque) Limited and Omnicane Thermal Energy Operations (St Aubin) and the Central Electricity Board. These rights have been recognised as an intangible assets and are amortised over the life of the contract.

Part of the energy management contracts was sold to Omnicane Management and Consultancy Limited in 2017.

2.7 Investment in subsidiaries

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 the ability to affect those returns through its power over the entity.

Separate financial statements of the Company

Investment in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment in subsidaiiries, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Consolidated financial statements

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling 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 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/(losses) on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with 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 or significant influence, 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 assets. In additions, 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.

2.8 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence but not control, or joint control, in the financial and operating policies and decisions of the investee. Generally an accompanying shareholding between 20% and 50% of the voting rights is held by the Group in such Companies.

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

Consolidated financial statements

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Investment in associates and joint ventures (cont'd)

***Consolidated financial statements** (cont'd)*

Under the equity method, an investment in an associate or a joint venture is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Separate financial statements of the Company

Investment in associates and joint ventures in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment in subsidiairies, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirely at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amorised 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 take the following irrecoverable election/designation at initial recognition of 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 (see (iii) below); 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 (see (iv) below).

(i) Amortised cost and effective interest method

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial instruments (cont'd)

***Financial assets** (cont'd)*

Classification of financial assets (cont'd)

(i) Amortised cost and effective interest method (cont'd)

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

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "finance income - interest income" line item (note 8).

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group, manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. 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 expected credit losses (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.

(i) 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, governmental 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.

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:

(1) the financial instrument has a low risk of default;

(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

(3) 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 flows obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial instruments (cont'd)

***Financial assets** (cont'd)*

Impairment of financial assets (cont'd)

(i) Significant increase in credit risk (cont'd)

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 are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable 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.

(ii) Definition of default

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

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

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

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

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

(v) 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 the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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 the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

(b) Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Financial instruments (cont'd)

***Financial liabilities** (cont'd)*

(c) Derecognition (cont'd)

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

2.10 Impairment of non-financial assets (excluding goodwill)

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.11 Consumable biological assets

Standing sugar cane crop are measured at their fair value. The fair value of the standing canes is the present value of the expected net cash flow from the standing canes discounted at the relevant market determined pre-tax rate. Changes in fair value of consumable biological assets are recognised in profit or loss.

2.12 Current and deferred income tax

The tax expense for the year comprises 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 the future taxable profit will be available against which deductible temporary differences can be utilised.

Corporate Social Responsibility

The Corporate Social Responsibility ("CSR") was legislated by Government in July 2009. In terms of the legislation, the Company is required to allocate 2% of its chargeable income of the preceeding financial year to Government approved CSR projects.

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

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of coal and molasses is determined by first-in first-out (FIFO) method. Inventory property comprises cost of land to be sold and related infrastructural costs. This expenditure is released to profit or loss to the extent that proceeds are received on the sale of land. Cost of other inventories is determined by the weighted average method. The cost of finished goods comprise of raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but exclude borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business less the costs of completion and applicable variable selling expenses.

2.14 Non-current assets held for sale

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

Events or circumstances may extend the period to complete the sale beyond one year if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset.

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

2.15 Share capital

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

2.16 Leases

Under IFRS 16, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying leases

The Group and the Company account for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;

(b) The Group and the Company obtain substantially all the economic benefits from use of the asset; and have

(c) the right to direct use of the asset.

The Group and the Company consider whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group and the Company obtain substantially all the economic benefits from use of the asset, the Group and the Company consider only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group and the Company have the right to direct use of the asset, the Group and the Company consider whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group and the Company apply other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group and the Company incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.16 Leases (cont'd)

***Identifying leases** (cont'd)*

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group and the Company if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group and the Company revise its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group and the Company to use an identified asset and require services to be provided to the Group and the Company by the lessor, the Group and the Company elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting for leases – where the Group and the Company is the lessor

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

2.17 Borrowings costs

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

2.18 Retirement benefit obligations

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.

Defined benefit plan

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

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

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

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit 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 costs, past service costs, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

State plan

Contributions to the Contribution Social Generalisee are expensed to profit or loss in the period in which they fall due.

Gratuity on retirement

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

2.19 Provisions

Provisions are recognised when the Group and the Company has a present legal or constructive obligation as a result of past events; 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).

2.20 Dividend distribution

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

2.21 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates 'functional currency'. The consolidated financial statements are presented in Mauritian rupees, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Foreign currencies (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date 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, except when deferred in equity as qualifying cash flow hedge.

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates 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.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

2.22 Segment reporting

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

2.23 Government Wage Assistance Scheme (GWAS)

Government GWAS is treated as government grant. It is recognised in profit or loss as a credit against salary costs in which the Company recognised as expenses the related costs for which the GWAS are intended to compensate. The Covid-19 levy imposed on the GWAS is payable in two instalments. The first instalment is based on the chargeable income of the current year and the second instalment is assessed on the forecasted chargeable income in the next year of assessment. The Covid-19 levy is accounted as a payable.

2.24 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if they have the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the company is subject to common control or common significant influence. Related parties may be individual or other entities.

2.25 Spare parts

Spare parts held by a Group which will be used to replace broken parts on its production machineries have been classified as inventory and are expensed to profit or loss when these are replaced on the production machineries.

Spare parts which can be used on a specific production machinery and which extend the life of the production machineries and economic benefit derived from its use are capitalised as part of property plant and equipment. Depreciation on such spare parts is charged to profit or loss.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's and the Company's activities are exposed to a variety of financial risks; market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance. The Group and the Company use derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by the Treasury Department under policies approved by the Board of Directors. The Treasury Department identifies, evaluates and hedges financial risks in close co-operation with the operating units. The Risk Committee of the Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(a) Market risk

(i) Current risk

The Group's activities is mainly in the sugarcane growing and milling, electricity and ethanol production and hospitality services. The market strategy for the sale of raw and refined sugar rests with the Mauritius Sugar Syndicate (MSS) which is responsible for negotiating the sale of the sugar production of the country with potential buyers. The Group invoices its refined sugar in Euro to the MSS and ethanol in USD to Alcogroup S.A, who is the main offtaker for the Ethanol distillery. For electricity production, sale is made solely to the Central Electricity Board (CEB) and is based on a Power Purchase Agreement (PPA) for both energy companies. Coal used for electricity production is purchased in US dollar but its effect is mitigated by the fact that the tariff of electricity sold to the Central Electricity Board is adjusted in respect to changes in exchange rates.

At December 31, 2021, if the Mauritian rupee (MUR) had weakened/strenghthened by 5% against the USD, GBP and Euro with all other variables held constant, the impact on loss for the year would be **Rs 146.3 M** (2020: Rs 107.6 M) for the Group, mainly as a result of foreign exchange gains/losses on translation of US Dollar and Euro denominated cash balances, trade receivables and bank borrowings.

At December 31, 2021, if the MUR had weakened/strenghthened by 5% against the USD, GBP and Euro with all other variables held constant, the impact on loss for the year would be **Rs 6.1 M** (2020: Rs 14.2 M) for the Company mainly as a result of foreign exchange gains/losses on translation of USD, GBP and Euro denominated cash balances, trade receivables and bank borrowings.

(ii) Price risk

The Group and the Company are not significantly exposed to equity price risk related to investment in quoted equity shares since the carrying value of the shares are not material.

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its sugar operations are ultimately exposed to the sugar price on the world market, and particularly the EU market. The EU sugar market conditions have deteriorated over the year and has experienced higher volatility since the abolition of production quotas for EU beet sugar producers on October 1, 2017. The Group mitigates this risk through a strategy of diversification of markets and revenue sources. Further the energy operations require the ongoing purchase of coal for power generation. The Group ensures that the coal price volatility risk is adequately mitigated through indexation mechanisms in its Power Purchase Agreements.

(iii) Sensitivity analysis

The table below summarises the impact of increases/decreases in the price of sugar on the Group. The analysis is based on the assumption that the fair value and the sugar price had increased/decreased by 5%.

	THE GROUP		THE COMPANY	
	Impact on profit or loss and equity			
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Price of sugar	**27,841**	20,688	**8,227**	6,540

Limitation of sensitivity analysis

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

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

(b) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties are accepted.

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

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.1 Financial risk factors (cont'd)

(b) Credit risk (cont'd)

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

The Group's main debtors are the Mauritius Sugar Syndicate on account of sugar proceeds receivable, the Central Electricity Board for the sale of electricity and Alcogroup for the sale of ethanol.

As at 31 December 2021, the maximum credit risk exposure faced by the Group amounts to Rs '000 192,060 based on the last shipment in connection with the NOS Operations Master Agreement signed between the Mauritius Sugar Syndicate and a subsidiary of the Group. The directors are of the view that no material risk of default exists in respect of the amount due from the client at the date of these financial statements. The transaction has been fully/partially settled subsequent to the year end.

(c) Liquidity risk

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

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from 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.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date:

	Less than 1 year Rs'000	Between 1 and 2 years Rs'000	Between 2 and 5 years Rs'000	Over 5 years Rs'000
THE GROUP				
At December 31, 2021				
Trade and other payables	**2,941,227**	**-**	**-**	**-**
Bank borrowings	**1,978,327**	**738,778**	**852,719**	**519,834**
Private placement	**-**	**2,229,579**	**-**	**-**
Import loans	**590,860**	**-**	**-**	**-**
Lease liabilities	**28,917**	**33,366**	**133,350**	**173,242**
Payable to related parties	**177,364**	**-**	**-**	**-**
At December 31, 2020				
Trade and other payables	2,713,809	-	-	-
Bank borrowings	3,287,090	935,899	1,912,206	435,561
Private placement	-	-	2,529,752	-
Bonds	1,595,078	-	-	-
Import loans	-	19,986	-	-
Lease liabilities	48,479	48,078	85,624	163,447
Payable to related parties	239,990	-	-	-
THE COMPANY				
At December 31, 2021				
Trade and other payables	**1,061,579**	**-**	**-**	**-**
Bank borrowings	**1,477,756**	**122,500**	**75,000**	**-**
Private placement	**-**	**2,229,579**	**-**	**-**
Lease liabilities	**22,513**	**23,486**	**78,639**	**83,056**
Payable to related parties	**617,813**	**-**	**-**	**-**
At December 31, 2020				
Trade and other payables	1,205,369	-	-	-
Bank borrowings	1,471,594	146,792	797,500	-
Private placement	-	-	2,529,752	-
Bonds	1,595,078	-	-	-
Lease liabilities	20,976	21,042	43,572	128,106
Payable to related parties	737,691	-	-	-

3.2 Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group and the Company set the amount of capital in proportion to risk. The Group and the Company manage the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt over equity. Net debt is calculated as total debt (as shown in the statement of financial position) less cash in hand and at bank. Equity comprises of all components of equity (i.e. share capital, share premium, (accumulated losses)/retained earnings, revaluation surplus and other reserves).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

3 FINANCIAL RISK MANAGEMENT (cont'd)

3.2 Capital risk management (cont'd)

The gearing ratios at December 31, 2021 and December 31, 2020 were as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Total debt (note 31 and note 32)	**8,091,898**	10,771,692	**3,904,835**	6,504,716
Less: cash and cash equivalents (note 39(d))	**(494,832)**	(563,031)	**(152,527)**	(275,794)
Net debt	**7,597,066**	10,208,661	**3,752,308**	6,228,922
Owners' interest (Equity)	**5,893,915**	6,619,220	**6,468,449**	6,296,113
Net debt to equity ratio	**1.29**	1.54	**0.58**	0.99

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

3.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise mainly of quoted equity investments classified as trading securities or FVTOCI.

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved. With respect to long-term loans and leases, the directors consider the carrying value of these financial liabilities to approximate their fair values. These financial liabilities are categorised under level 3 in the fair value hierarchy.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's and the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's and the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's and the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Going concern

As at December 31, 2021, the current liabilities exceeded the current assets by Rs 2.98 bn (2020: Rs 5.99 bn) for the Group and Rs 1.59 bn (2020: Rs 5.16 bn) for the Company.

In view of improving its liquidity position and reducing its overall gearing, the Group has taken the following steps in 2022:

- Sale of several plots of land situated in the regions of Britannia and Mon Tresor for a total consideration of Rs 2.08 bn to the Mauritius Investment Corporation (MIC). The proceeds received in February 2022 have been used to repay all the private placement holders.
- Debt restructurations have been finalised in February and April 2022, whereby current liabilities amounting to Rs 0.40 bn and Rs 0.89 bn have been converted into long-term debts and a term loan of Rs 107 has been repaid.
- Non-core assets amounting to Rs 0.51 bn has been earmarked for sale in 2022.
- Waiver letters for breach of loan covenants in two subsidiary companies will be requested and obtained before financial year end 2022. (Loan amount Rs 0.53 bn.)
- Import loans of the Energy Companies amounting to Rs 0.59 bn have been repaid.

Based on the above, the financial statements have been prepared on a going concern basis, which assumes that the Group and the Company would continue in operational existence for the forseeable future.

Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors have reviewed the group's investment property portfolio and have concluded that none of the properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time rather than through sale. As a result, the Group has not recognised deferred tax on changes in the fair value of its investment properties as the Group is not subject to capital gains tax on disposal of its investment properties.

Principal versus agent considerations

The Group has entered into a NOS Operations Master Agreement under which Omnicane Milling Operations Limited (a subsidiary) and the Mauritius Sugar Syndicate ("MSS") are the parties to the agreement, for the provision of white refined sugar ("WRS") to end-customers. These involve the import of non-originating sugar ("NOS"), the refining process and the export of in WRS on the Group's own account and/or as an intermediary on behalf of others.

Management is required to exercise judgement in order to determine to what extent, the Group's nature of its promise is a performance obligation to provide the specified goods or services (the Group acting as a principal) or to arrange for the other party to provide those goods or services (the Group acting as an agent). Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners. Such judgements impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or cash flows. Management judgement is also required to determine the specified good or service is a distinct good or service to be provided to the customer. If a contract with a customer includes more than one specified good or service, the Group could be a principal for some specified goods or services and an agent for others.

To determine the nature of promise, management considers the detailed guidance set out in IFRS 15 Revenue from contracts with customers, identify the specified goods and services to be provided to the customer and assess whether it controls each specified good or service before that good or service is transferred to the customer.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Bearer biological assets

Bearer biological assets, included in property, plant and equipment are depreciated over their useful life. The actual life of the bearers are assessed annually, taking into account the life cycle of the ratoons, yields, estimated price of sugar and a discount rate.

Consumable biological assets – Standing sugar canes

The fair value of standing sugar canes crop has been arrived at by discounting the present value (PV) of expected net cash flows from standing canes discounted at the relevant market determined pre-tax rate.

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

Other key assumptions for consumable biological assets are disclosed in note 26.

(b) Valuation of land

Land were valued based on the valuation report made by Noor Dilmohamed and Associates, on an open market value basis. Additional information is disclosed in note 15. The directors are of the opinion that the fair value of the properties at December 31, 2021 would not be materially different from their carrying amount, considering prevailing market conditions.

(c) Investment properties

Investment properties held to earn rentals or for capital appreciation or both and not occupied by the Group and the Company are carried at fair value with changes in fair value being recognised in profit or loss. Investment properties consist of freehold land and buildings. Investment properties have been valued at their open market value on December 31, 2021 based on the valuation report made by an Independent Property Surveyor. Additional information is disclosed in note 17.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

***Key sources of estimation uncertainty** (cont'd)*

(d) Pension benefits (cont'd)

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 obligation are based in part on current market conditions. Additional information is disclosed in note 34.

(e) Impairment assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.5 (b). The calculation used pre-tax cash flow based on financial budgets approved by management covering a 5-year period. The discount rate used is based on the specific circumstances of the group and its operating segments and is derived from the WACC. The calculations require the use of estimates.

(f) Asset lives and residual values

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

(g) Depreciation policies

Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Group would currently obtain from the 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 asset at the end of their expected useful lives.

Estimates

Impairment of investment in subsidiary companies/ associates/joint ventures

Investment in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognized for the amount by which the investment's carrying value exceeds its recoverable amount, which represents the investment's fair value less cost to sell, which require the use of assumptions. The calculations use cash flow projections of the subsidiary based on financial forecasts prepared by management covering a five-year period. The carrying amount of the investment as at December 31, 2021 amounted to Rs 1.5 bn (2020: Rs 3.4 bn). Further details are provided in note 19.

Impairment of non-financial assets

Property, plant and equipment, investment in subsidiaries and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. The carrying value of an asset or CGU is compared to its recoverable amount ,which is the higher of its fair value less costs to sell and its value in use. Value in use calculation is based on a DCF model. Future cash flows expected to be generated by the assets or cash-generating units are projected, taking into account market conditions and the expected useful lives of the assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount of the non-financial assets are disclosed in the respective notes.

Impairment losses on loans and advances to related parties

The Company reviews individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Company make judgements about the borrower's financial situation and the net realisable value of collaterals. These estimate are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

5 REVENUE

The following is an analysis of the revenue for the year.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Revenue from contract with customers				
Sugar, molasses and bagasse	**1,282,068**	1,011,192	**248,626**	154,729
Compensation from Sugar Insurance Fund Board	**71,743**	1,588	**16,494**	1,812
Electricity generation	**3,397,361**	2,803,362	**-**	-
Ethanol	**519,760**	546,459	**-**	-
Hotel revenue	**56,003**	57,454	**-**	-
Agricultural diversification and others	**51,520**	49,745	**45,682**	39,129
	5,378,455	4,469,800	**310,802**	195,670

Disaggregation of revenue from contracts with customers is as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Contract counterparties				
Retailers	**24,087**	11,607	**4,036**	3,390
Wholesalers	**5,229,774**	4,334,523	**297,978**	177,648
Direct to consumers	**124,594**	123,670	**8,188**	14,632
	5,378,455	4,469,800	**310,202**	195,670
Timing of revenue recognition				
Over time	**3,453,364**	2,860,816	**-**	-
At a point in time	**1,925,091**	1,608,984	**310,202**	195,670
	5,378,455	4,469,800	**310,202**	195,670

6 OTHER OPERATING INCOME

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Sundry income	**13,891**	35,711	**-**	28
Government wage assistance scheme **201-4**	**21,013**	13,938	**-**	-
Rental income	**23,674**	27,179	**23,674**	27,179
Management fees	**1,996**	3,454	**25,000**	25,000
Profit on sale of property, plant and equipment	**9,484**	3,788	**682**	349
	70,058	84,070	**49,356**	52,556

7 OPERATING EXPENSES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Depreciation on property, plant and equipment (Note 15)	**484,237**	493,339	**38,252**	46,295
Depreciation of right of use assets (Note 16)	**49,015**	52,738	**25,859**	26,215
Amortisation of intangible assets (Note 18)	**21,327**	26,285	**21**	714
Raw materials and consumables used (Note 25(i))	**2,500,738**	1,782,440	**44,692**	31,060
Employee expenses (Note 7(i))	**726,632**	786,966	**139,047**	200,138
Sugar Insurance Fund Board premium	**51,482**	12,615	**4,581**	4,250
Growing expenses	**133,945**	108,735	**100,398**	78,821
Milling and refinery expenses	**291,515**	278,002	**-**	-
Lorries and haulage expenses	**182,153**	158,194	**-**	-
Energy expenses	**326,117**	327,675	**-**	-
Ethanol expenses	**44,549**	41,397	**-**	-
Hospitality expenses	**18,457**	20,278	**-**	-
Management fees	**153,717**	140,125	**19,555**	19,906
Administrative expenses	**145,196**	125,918	**281**	4,781
	5,129,080	4,354,707	**383,250**	412,180

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

7 OPERATING EXPENSES

(i) Employee expenses

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Wages and salaries	**607,782**	616,541	**114,285**	146,004
Pension costs and social costs	**118,850**	170,425	**24,762**	54,134
	726,632	786,966	**139,047**	200,138

8 INVESTMENT INCOME

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Interest income	**8,049**	9,457	**138,206**	171,191
Dividend income	**-**	-	**130,000**	71,500
	8,049	9,457	**268,206**	242,691

9 OTHER GAINS & LOSSES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Foreign exchange loss on financial liabilities	**151,364**	311,410	**13,603**	49,071
Foreign exchange loss/(gains) on financial assets	**(54,964)**	(59,999)	**20,348**	(5,478)
Foreign exchange gains on derivative financial instruments	**-**	(625)	**-**	(625)
Net foreign exchange losses	**96,400**	250,786	**33,951**	42,968

10 FINANCE COSTS

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Interest expense on:				
- Bank overdrafts	**68,978**	63,297	**47,456**	59,188
- Bank and other loans	**213,359**	249,357	**69,899**	45,547
- Amount payable to related parties	**39,991**	34,058	**80,371**	68,220
- Private placement	**149,065**	163,553	**149,065**	163,553
- Lease liabilities	**19,423**	16,498	**13,012**	12,674
- Bonds	**54,794**	102,482	**37,348**	102,482
	545,610	629,245	**397,151**	451,664

11. OTHER NON-OPERATING INCOME/(EXPENSES)

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Profit/(loss) on disposal of land	**285,406**	(44,652)	**285,406**	(51,443)
Morcellement expenses	**(72,224)**	(22,108)	**(72,224)**	(22,108)
Profit on disposal of investment in subsidiary	**-**	-	**114,030**	-
Loss on disposal of investment property	**(379,535)**	-	**-**	-
Loss on disposal of investment in financial assets	**-**	(2,470)	**-**	-
	(166,353)	(69,230)	**327,212**	(73,551)

12 IMPAIRMENT OF ASSETS AND ALLOWANCE FOR CREDIT LOSSES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Non-financial assets				
Bearer plants (Note 15(d))	**-**	25,779	**-**	25,779
Property, plant & equipment (Note 15(d) & (e))	**170,628**	424,150	**2,825**	357
Land conversion rights (Note 18)	**-**	232,835	**-**	13,532
Investment in subsidiaries (Note 19)	**-**	-	**-**	1,465,108
Investment in associates (Note 20)	**-**	-	**952**	-
Investment in joint ventures (Note 21)	**41,567**	-	**-**	-
Impairment of goodwill (Note 18(d))	**-**	70,041	**-**	-
Inventories (Note 25(iii))	**34,409**	38,104	**66**	35,973
Non-current asset held for sale (Note 28)	**-**	10,556	**-**	-
Financial assets at amortised cost				
Related parties (Note 24(a))	**5,487**	1,189,234	**72,469**	1,622,344
Other receivables (Note 24(a))	**4,973**	19,728	**2,832**	5,877
Reversal of impairment of investment in associates (Note 20)	**-**	-	**-**	(4,052)
Reversal of loss allowance (Note 27)	**(967)**	(1,079)	**-**	-
Expected credit loss allowance	**2,178**	-	**2,178**	-
	258,275	2,009,348	**81,322**	3,164,918

13 TAXATION

Income tax is calculated at the rate of 15% (2020: 15%) on the profit for the year as adjusted for income tax purposes.

The Company is required to set up a corporate Social Responsibility ("CSR") fund equivalent to 2% of its chargeable income of the preceding year to implement a CSR programme in accordance with its own CSR framework. Where the amount paid out of the CSR fund is less than the amount provided under the fund, the difference shall be remitted to the Director-General at the time of submission of the income tax return of the year under review.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(a) **Charge/(credit) for the year**				
Current tax on adjusted profit for the year at 15% (2020: 15%)	**52,821**	69,777	**-**	-
CSR charge at 2%	**9,276**	13,077	**-**	-
Underprovision in previous year	**-**	314	**-**	-
Tax credit for capital expenditure	**(3,059)**	-	**-**	-
Deferred tax (Note 24(c))	**(9,374)**	82,099	**-**	60,913
Tax charge for the year	**49,664**	165,267	**-**	60,913

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

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(Loss)/profit before taxation	**(691,732)**	(2,762,397)	**87,251**	(3,634,115)
Tax calculated at 15% (2020: 15%)	**(103,760)**	(414,360)	**13,088**	(545,117)
CSR charge at 2%	**2,692**	13,077	**-**	-
Tax credit for capital expenditure	**(3,059)**	-	**-**	-
Income not subject to tax	**(197,881)**	(87,481)	**(183,783)**	(24,198)
Expenses not deductible for tax purposes	**322,099**	541,342	**147,849**	550,832
Underprovision in previous year	**-**	314	**-**	-
Utlisation of previously unrecognised tax losses	**(1,694)**	-	**-**	-
Reversal of deferred tax assets	**-**	82,099	**-**	60,913
Tax losses for which no deferred tax recognised	**31,268**	30,276	**22,846**	18,483
Tax charge for the year	**49,664**	165,267	**-**	60,913

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

13 TAXATION (cont'd)

(b) Current tax (assets)/liabilities

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
At January 1,	**14,609**	57,902	**-**	75
Movement during the year:				
Current tax on the adjusted profit for the year at 15% (2020: 15%)	**52,821**	69,777	**-**	-
Tax deducted at source	**(28,818)**	(26,597)	**-**	-
Tax credit for capital expenditure	**(3,059)**	-	**-**	-
CSR charge at 2%	**9,276**	13,077	**-**	-
Tax refund	**-**	3,195	**-**	(75)
Under provision in previous year	**-**	314	**-**	-
	44,829	117,668	**-**	-
Tax paid	**(52,402)**	(103,059)	**-**	-
At December 31,	**(7,573)**	14,609	**-**	-
Disclosed as follows:				
Current tax assets	**(14,639)**	(1,800)	**-**	-
Current tax liabilities	**7,066**	16,409	**-**	-
	(7,573)	14,609	**-**	-

At the end of the reporting year, the Group had unused tax losses of **Rs 2,735 M** (2020: Rs 2,126 M) and the Company had unused tax losses of **Rs 815** M (2020: Rs 672 M) available for offset against future profits.

14 LOSS PER SHARE

	THE GROUP	
	2021	2020
Loss attributable to equity holders (Rs'000)	**(902,812)**	(3,056,241)
Number of ordinary shares in issue	**67,012,404**	67,012,404
Loss per share (Rs)	**(13.47)**	(45.61)

15 PROPERTY, PLANT & EQUIPMENT

	Freehold land Rs'000	Buildings Rs'000	Power plant & equipment Rs'000	Factory equipment Rs'000	Refinery plant Rs'000	Plant & equipment Rs'000	Bearer plants Rs'000	Work in progress Rs'000	Total Rs'000
(a) THE GROUP									
2021									
Valuation/Cost	**5,641,942**	**952,026**	**6,036,067**	**1,054,514**	**1,857,965**	**2,747,656**	**503,227**	**13,735**	**18,807,132**
Accumulated depreciation	**-**	**(336,439)**	**(3,745,265)**	**(597,412)**	**(818,832)**	**(1,010,290)**	**(471,218)**	**-**	**(6,979,456)**
Net book value	**5,641,942**	**615,587**	**2,290,802**	**457,102**	**1,039,133**	**1,737,366**	**32,009**	**13,735**	**11,827,676**
2020									
Valuation/Cost	7,563,075	979,289	6,222,135	1,038,543	1,847,471	2,433,714	487,347	-	20,571,574
Accumulated depreciation	-	(302,803)	(3,527,925)	(541,175)	(744,749)	(929,366)	(449,201)	-	(6,495,219)
Net book value	7,563,075	676,486	2,694,210	497,368	1,102,722	1,504,348	38,146	-	14,076,355
Net book value									
2021									
At January 1, 2021	**7,563,075**	**676,486**	**2,694,210**	**497,368**	**1,102,722**	**1,504,348**	**38,146**	**-**	**14,076,355**
Additions	**-**	**5,194**	**4,616**	**15,971**	**10,494**	**316,957**	**15,880**	**13,735**	**382,847**
Transfer to non-current asset classified as held for sale (Note 28)	**(1,868,883)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,868,883)**
Transfer (to)/from inventory (Note 25)	**9,400**	**(7,692)**	**-**	**-**	**-**	**2,106**	**-**	**-**	**3,814**
Transfer to right of use assets (Note 16) and (Note 15(f))	**-**	**-**	**(20,056)**	**-**	**-**	**-**	**-**	**-**	**(20,056)**
Transfer to intangible assets (Note 18)	**-**	**-**	**-**	**-**	**-**	**(1,028)**	**-**	**-**	**(1,028)**
Disposals	**(61,650)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(61,650)**
Depreciation	**-**	**(33,636)**	**(217,340)**	**(56,237)**	**(74,083)**	**(80,924)**	**(22,017)**	**-**	**(484,237)**
Written off	**-**	**(24,765)**	**-**	**-**	**-**	**(4,093)**	**-**	**-**	**(28,858)**
Impairment (Note 12)	**-**	**-**	**(170,628)**	**-**	**-**	**-**	**-**	**-**	**(170,628)**
At December 31, 2021	**5,641,942**	**615,587**	**2,290,802**	**457,102**	**1,039,133**	**1,737,366**	**32,009**	**13,735**	**11,827,676**

	Freehold land Rs'000	Buildings Rs'000	Power plant & equipment Rs'000	Factory equipment Rs'000	Refinery plant Rs'000	Plant & equipment Rs'000	Bearer plants Rs'000	Total Rs'000
Net book value								
2020								
At January 1, 2020	5,657,051	906,291	3,062,571	515,229	1,182,051	1,472,592	66,574	12,862,359
Revaluation	1,917,179	-	-	-	-	-	-	1,917,179
Additions	-	9,448	38,327	41,955	4,529	137,630	23,529	255,418
Transfer from inventory (Note 25)	1,519	-	-	-	-	-	-	1,519
Transfer from right of use assets (Note 16)	-	-	-	-	-	12,203	-	12,203
Disposals	(12,674)	-	-	(1,328)	(13,171)	(1,121)	(70)	(28,364)
Scrapped assets	-	-	-	-	-	(691)	-	(691)
Depreciation	-	(39,723)	(186,591)	(58,488)	(70,687)	(111,742)	(26,108)	(493,339)
Impairment (Note 12)	-	(199,530)	(220,097)	-	-	(4,523)	(25,779)	(449,929)
At December 31, 2020	7,563,075	676,486	2,694,210	497,368	1,102,722	1,504,348	38,146	14,076,355

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

15 PROPERTY, PLANT & EQUIPMENT (cont'd)

(b) THE COMPANY

	Freehold land Rs'000	Buildings Rs'000	Plant and equipment Rs'000	Work-in-progress Rs'000	Bearer plants Rs'000	Total Rs'000
2021						
Valuation/Cost	**4,746,114**	**139,525**	**362,991**	**10,690**	**346,083**	**5,605,403**
Accumulated depreciation	**-**	**(57,645)**	**(333,939)**	**-**	**(330,479)**	**(722,063)**
Net book value	**4,746,114**	**81,880**	**29,052**	**10,690**	**15,604**	**4,883,340**
2020						
Valuation/Cost	6,676,647	174,922	363,285	-	336,701	7,551,555
Accumulated depreciation	-	(52,801)	(322,799)	-	(310,099)	(685,699)
Net book value	6,676,647	122,121	40,486	-	26,602	6,865,856
Net book value						
2021						
At January 1, 2021	**6,676,647**	**122,121**	**40,486**	**-**	**26,602**	**6,865,856**
Additions	**-**	**357**	**1,122**	**10,690**	**9,382**	**21,551**
Transfer from right of use assets (Note 16)	**-**	**-**	**310**	**-**	**-**	**310**
Transfer to inventory property (Note 25)	**-**	**(7,692)**	**-**	**-**	**-**	**(7,692)**
Transfer to non-currrent assets held-for-sale (Note 28)	**(1,868,883)**	**-**	**-**	**-**	**-**	**(1,868,883)**
Disposals	**(61,650)**	**-**	**(310)**	**-**	**-**	**(61,960)**
Depreciation	**-**	**(8,141)**	**(9,731)**	**-**	**(20,380)**	**(38,252)**
Written off	**-**	**(24,765)**	**(2,825)**	**-**	**-**	**(27,590)**
At December 31, 2021	**4,746,114**	**81,880**	**29,052**	**10,690**	**15,604**	**4,883,340**
2020						
At January 1, 2020	4,832,026	151,618	27,360	-	66,525	5,077,529
Revaluation	1,855,518	-	-	-	-	1,855,518
Additions	-	532	3,703	-	12,068	16,303
Transfer	96	(19,905)	19,913	-	(104)	-
Transfer from inventory property (Note 25)	1,519	-	-	-	-	1,519
Disposals	(12,512)	-	(70)	-	-	(12,582)
Depreciation	-	(10,124)	(10,063)	-	(26,108)	(46,295)
Impairment (Note 12)	-	-	(357)	-	(25,779)	(26,136)
At December 31, 2020	6,676,647	122,121	40,486	-	26,602	6,865,856

(c) Depreciation charge on property, plant and equipment has been included under operating expenses.

(d) During the year the Group carried out a review of the recoverability of its property, plant and equipment. This resulted in an impairment loss of **Rs 170.6 M** (2020: Rs 450.0 M) for the Group and **Rs nil** (2020: Rs 26.1 M) for the Company respectively. The impairment is due to a delay in the start of operations and a cost overrun incurred on the second phase of Omnihydro plant in Rwanda. The Omnihydro plant and its related equipment were impaired to their recoverable amount based on the value in use. The discount rate used in measuring value in use was 10.62% per annum. The impairment loss has been included under impairment of assets & allowance for credit losses.

(e) Sale of land to Emtel Ltd and to the Mauritius Investment Corporation Ltd during the year have triggered the need to dismantle some property, plant and equipment on these land. This resulted in a written off of old and unusable property, plant and equipment of Rs 28.9 M (2020: Rs nil) and Rs 27.6 M (2020: Rs nil) for the Group and the Company respectively.

(f) Sale and leaseback

During the year ended December 31, 2020, the Group acquired a rotor alternator amounting to Rs 20.1 M financed by a bank through an import loan facility. The disbursement from the import loan facility was made in tranches as and when respective payments were to be made based on progress of production of the rotor alternator. During the year December 31, 2021, the import loan was fully converted into a lease agreement when both parties entered into a sale and leaseback transaction for an amount of Rs 20.1 M. The lease term is 6 years with a fixed monthly lease payment.

(g) If the freehold land was stated on the historical cost basis, the amounts would be as follows:

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
At December 31,				
Freehold land	**433,157**	449,041	**203,762**	218,644

(h) The Group's and the Company's freehold land was last revalued at December 31, 2020 by Noor Dilmohamed & Associates, an independent professional valuer. The independent valuer is a well known established and experienced land surveyor in Mauritius performing valuation on freehold land and building. He is a Certified Practising Valuer of the Fellow Australian Property Institute and a registered valuer under the laws of Mauritius.

The directors have estimated that the carrying values of land approximate their fair values at December 31, 2021 and 2020.

The fair value of the land is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion.

Details of the Group's and the Company's freehold land measured at fair value and information about the fair value hierarchy as at December 31, 2021 is as follows:

		THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
At December 31,					
Freehold land	**Level 3**	**5,641,942**	7,563,075	**4,746,114**	6,676,647

The fair value of land is classified in level 3 of the fair value hierarchy as it has been valued using significant unobservable valuation input.

Information about fair value measurements using significant unobservable inputs are as follows:

	THE GROUP Significant unobservable input	THE GROUP Range of unobservable input Rs'000/Ha	THE COMPANY Significant unobservable input	THE COMPANY Range of unobservable input Rs'000/Ha
Description				
Freehold land	Price per hectare	**73 - 53,326**	Price per hectare	**73 - 8,355**

Significant increase/(decrease) in the above unobservable inputs in isolation would result in a significant higher/(lower) fair value.

	THE GROUP Impact on fair value 2021 Rs'000	THE GROUP Impact on fair value 2020 Rs'000	THE COMPANY Impact on fair value 2021 Rs'000	THE COMPANY Impact on fair value 2020 Rs'000
Increase of 5% in price per hectare	**284,341**	380,867	**237,306**	333,832
Decrease of 5% in price per hectare	**(284,341)**	(380,867)	**(237,306)**	(333,832)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

16 RIGHT-OF-USE ASSETS

	Land and buildings Rs'000	Motor vehicles and equipment Rs'000	Total Rs'000
THE GROUP			
Cost			
At January 1, 2020	363,642	214,950	578,592
Additions	-	26,461	26,461
Transfer to PPE (Note 15)	-	(71,340)	(71,340)
Termination	-	(2,960)	(2,960)
At December 31, 2020	**363,642**	**167,111**	**530,753**
Additions	**-**	**19,246**	19,246
Transfer to PPE (Note 15)	**-**	**(15,315)**	(15,315)
Transfer from PPE (Note 15)		**20,056**	20,056
Termination	-	**(12,240)**	(12,240)
At December 31, 2021	**363,642**	**178,858**	**542,500**
Accumulated depreciation			
At January 1, 2020	(24,658)	(94,963)	(119,621)
Charge for the year	(27,170)	(25,568)	(52,738)
Transfer to PPE (Note 15)	-	59,137	59,137
Termination	-	2,430	2,430
At December 31, 2020	**(51,828)**	**(58,964)**	**(110,792)**
Charge for the year	**(28,105)**	**(20,909)**	**(49,014)**
Transfer to PPE (Note 15)	**-**	**12,213**	**12,213**
Termination	**-**	**11,275**	**11,275**
At December 31, 2021	**(79,933)**	**(56,385)**	**(136,318)**
Carrying amount			
At December 31, 2021	**283,709**	**122,473**	**406,182**
At December 31, 2020	311,814	108,147	419,961
THE COMPANY			
Cost			
At January 1, 2020	222,092	19,731	241,823
Additions	-	1,213	1,213
At December 31, 2020	**222,092**	**20,944**	**243,036**
Additions	**-**	**1,189**	**1,189**
Transfer to PPE (Note 15)	**-**	**(2,297)**	**(2,297)**
At December 31, 2021	**222,092**	**19,836**	**241,928**
Accumulated depreciation			
At January 1, 2020	(19,352)	(6,933)	(26,285)
Charge for the year	(20,902)	(5,313)	(26,215)
At December 31, 2020	**(40,254)**	**(12,246)**	**(52,500)**
Charge for the year	**(22,042)**	**(3,817)**	**(25,859)**
Transfer to PPE (Note 15)	**-**	**1,987**	**1,987**
At December 31, 2021	**(62,296)**	**(14,076)**	**(76,372)**
Carrying amount			
At December 31, 2021	**159,796**	**5,760**	**165,556**
At December 31, 2020	181,838	8,698	190,536

The Group and the Company lease several assets including buildings, leasehold land and motor vehicles with lease terms of 7, 99 and 6 years respectively.

The Company leases several assets comprising of buildings and motor vehicles. The lease term of buildings and motor vehicles are 7 and 5 years respectively.

The Group and the Company have no option to purchase those lease assets, except for motor vehicles.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Amounts recognised in profit and loss:				
Depreciation expense on right-of-use assets	**48,746**	52,738	**25,859**	26,215
Interest expense on lease liabilities	**21,719**	10,978	**13,012**	12,674
Income from sub-leasing right-of-use assets	**23,674**	54,937	**23,674**	27,179
Fixed payments	**44,227**	37,631	**20,794**	21,040
Variable payments	**8,707**	20,871	**-**	-
Total payments	**52,934**	58,502	**20,794**	21,040

At the reporting date, the carrying amount of right-of-use assets has been reviewed. No indication of impairment has been noted.

17 INVESTMENT PROPERTIES

	THE GROUP	
	2021 Rs'000	2020 Rs'000
Fair value		
At January 1,	**2,394,207**	2,778,600
Additions	**-**	21
Disposal	**(2,414,647)**	-
Movement in fair value during the year (Note 45)	**(132,890)**	(61,136)
Transfer from/(to) inventory property (Note 25)	**153,330**	(323,278)
At December 31,	**-**	2,394,207

In June 2021, the Group disposed of its investment properties to the Mauritius Investment Corporation (MIC) for a total consideration of Rs 2.4 Bn (refer to note 19).

The fair value of the Group's investment property at December 31, 2020 has been arrived at on the basis of a valuation carried out at that date by Noor Dilmohamed & Associates, an independent valuer not connected with the Group. The valuation methodology is the Open Market Value Approach which is defined by the International Valuation Standards Committee as the estimated amounts of which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each knowledgeably, prudently and without compulsion.

The market value of the land was derived using the following approach:

(i) The Comparative Method of Valuation involves the assessment of the property based on sale comparable in the neighbourhood and adjusted to reflect its location, characteristics and size; and

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

The fair value of land is classified in level 3 of the fair value hierarchy as it has been valued using unobservable market data. There were no transfers between levels during the year.

At December 31, 2020, the most significant unobservable input for the valuation of Investment property is as follows:

	Significant unobservable input	Range of unobservable input Rs'000
Description		
Freehold land	Price per arpent	1,342 – 59,993

Significant increase/(decrease) in the above unobservable inputs would result in a significant higher/(lower) fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

18 INTANGIBLE ASSETS

	Software, legal & professional costs Rs'000	Goodwill Rs'000	Land conversion rights Rs'000	Energy management contracts Rs'000	Rebranding costs Rs'000	Total Rs'000
(a) THE GROUP						
Cost/valuation						
At January 1, 2020	134,967	70,041	1,277,631	297,418	11,447	1,791,504
Transfer	(1,342)	-	-	-	1,342	-
Additions	305	-	-	-	-	305
Impairment (Note 18 (d) (e))	-	(70,041)	(232,835)	-	(729)	(303,605)
Change in fair value	-	-	(48,846)	-	-	(48,846)
Disposals	-	-	(86,930)	-	-	(86,930)
At December 31, 2020	133,930	-	909,020	297,418	12,060	1,352,428
Transfer from PPE (Note 15)	**1,029**	**-**	**-**	**-**	**-**	**1,029**
Additions	**6,023**	**-**	**-**	**-**	**-**	**6,023**
Change in fair value	**-**	**-**	**30,658**	**-**	**-**	**30,658**
Disposals	**(52)**	**-**	**(45,068)**	**-**	**-**	**(45,120)**
At December 31, 2021	**140,930**	**-**	**894,610**	**297,418**	**12,060**	**1,345,018**
Accumulated amortisation						
At January 1, 2020	93,375	-	122,395	175,063	7,704	398,537
Charge for the year	8,227	-	-	13,702	4,356	26,285
At December 31, 2020	101,602	-	122,395	188,765	12,060	424,822
Charge for the year	**7,749**	**-**	**-**	**13,578**	**-**	**21,327**
At December 31, 2021	**109,351**	**-**	**122,395**	**202,343**	**12,060**	**446,149**
Net book value						
At December 31, 2021	**31,579**	**-**	**772,215**	**95,075**	**-**	**898,869**
At December 31, 2020	32,328	-	786,625	108,653	-	927,606

	Land conversion rights Rs'000	Rebranding costs Rs'000	Others Rs'000	Total Rs'000
(b) THE COMPANY				
Cost/valuation				
At January 1, 2020	157,835	1,039	18,670	177,544
Impairment (Note 18 (d) (e))	(13,532)	-	-	(13,532)
Change in fair value	(17,428)	-	-	(17,428)
At December 31, 2020	**126,875**	**1,039**	**18,670**	**146,584**
Change in fair value	**10,939**	**-**	**-**	**10,939**
At December 31, 2021	**137,814**	**1,039**	**18,670**	**157,523**
Accumulated amortisation and impairment				
At January 1, 2020	10,190	572	18,402	29,164
Charge for the year	-	467	247	714
At December 31, 2020	**10,190**	**1,039**	**18,649**	**29,878**
Charge for the year	**-**	**-**	**21**	**21**
At December 31, 2021	**10,190**	**1,039**	**18,670**	**29,899**
Net book value				
At December 31, 2021	**127,624**	**-**	**-**	**127,624**
At December 31, 2020	116,685	-	21	116,706

(c) Amortisation charge on intangible assets has been included under operating expenses.

(d) **Goodwill**

The carrying amount of goodwill has been allocated to the cash generating units as follows:

	2020 Rs'000
Omnicane Agricultural Operations Limited	19,273
Omnicane Thermal Energy Holdings (St Aubin) Limited	46,597
Omnihydro Rwanda Ltd	4,171
	70,041

All the goodwill have been fully impaired during the year ended December 31, 2020.

The Group tests goodwill annually for impairment.

The recoverable amounts for the cash generating units were based on their value in use, determined by discounting the future five year cash flows to be generated from the continuing use of the cash generating units. The carrying amounts of the cash generating units were determined to be lower than their recoverable amounts and an impairment of Rs 70.0 M has been booked during the year ended December 31, 2020.

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

	2020 %
Omnicane Agricultural Operations Limited	
Discount rate	8.30
Budgeted EBITDA growth rate (average over next five years)	(4.97)
Omnicane Thermal Energy Holdings (St Aubin) Limited	
Discount rate	14.00
Budgeted EBITDA growth rate (average over next five years)	12.60
Omnihydro Rwanda Limited	
Discount rate	10.62
Budgeted EBITDA growth rate (average over next five years)	26.10

The discount rate calculation was based on the specific circumstances of the CGU and was derived from its weighted average cost of capital (WACC). The WACC took into account both equity and debt. The cost of equity was derived from the expected return on investment by the Group's investors. The cost of debt was based on the interest-bearing borrowings the Group was obliged to service.

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

(e) **Land conversion rights**

During the year, the Group and the Company carried out a review of the recoverability of the land conversion rights and this resulted in no impairment charge for the Group and the Company respectively (2020: Rs 232.8 M and Rs 13.5 M). The Group and the Company also carried out a review of the fair value of the land conversion rights and this resulted in an increase of Rs 30.7 M in the fair value for the Group (2020: decrease of Rs 48.8 M) and an increase of Rs 10.9 M in the fair value of the Company (2020: decrease of Rs 17.4 M). The recoverable and fair value amount was determined at the cash-generating unit level and represents the net selling price, determined by reference to the latest sales made.

The significant unobservable input used to determine the fair value of land conversion rights is the price per arpent. If the price per arpent increases/decreases by 5%, the fair value will increase/decrease by Rs 43.3 M for the Group and Rs 3.8 M for the Company (2020: Rs 39.2 M for the Group and Rs 3.2 M for the Company).

The fair value of land conversion rights is classified in level 3 of the fair value hierarchy as it has been valued using significant unobservable valuation input.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

19 INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2021 Rs'000	2020 Rs'000
Cost		
At January 1,	**3,420,649**	5,331,544
Transfer from deposit on investment	**-**	10,911
Disposal	**(1,964,230)**	(100)
Share buy back	**-**	(456,598)
Winding up (Note 19 (a) (vi))	**(938)**	-
Impairment (Note 12 & 19 (a))	**-**	(1,465,108)
At December 31,	**1,455,481**	3,420,649

In June 2021, the Group and the Company concluded an agreement with the Mauritius Investment Corporation (MIC) for the sale of all its shares held in Mon Trésor Smart City Ltd (a wholly-owned subsidiary) for a consideration of Rs 2.41 bn. The proceeds have been used to repay its Rs 1.15 bn bonds which matured in June 2021, early repayment of its bonds of Rs 0.44 bn maturing in 2022, early repayment of its private placement of Rs 0.30 bn maturing in 2023 and part repayment of a term loan amounting to Rs 0.36 bn.

(a) Impairment of investment in subsidiary

(i) Airport Hotel Ltd

During the year ended December 31, 2020, due to Covid 19, the Airport Hotel Ltd was fully impacted by the closure of our borders and was being used as a quarantine centre. There was low visibility as to its re-opening to normal activities. In addition, to the recurring operating losses, impairment of Rs 55.7 M has been accounted for in the year ended December 31, 2020.

(ii) Omnicane Thermal Energy Holdings (St Aubin) Limited

The Power Purchase Agreement of Omnicane Thermal Energy Operations (St Aubin) ends in 2025. For the assessment of the Company's investment in subsidiaries, the cash flow projections for the future 4 years have been taken into consideration. The impairment review led to no impairment during the year (2020: Rs 113.8 M).

(iii) Omnihydro Rwanda Limited

Due to the Covid-19 pandemic during the year ended December 31, 2020, the completion and start of operations of the second phase of the Omnihydro plant which was scheduled for August 2020 has been delayed by 1 year. Furthermore, the Group has incurred additional capital expenditures. The Company has accounted for an impairment of Rs 154.9 M due to the additional cash injection and delay in the second phase.

(iv) Omnicane International Investments Ltd

Omnicane International Investments Ltd holds an investment in Real Good Foods Plc. The latter has been making losses and share price declined on the London Stock Exchange. The investment value of Rs 409 M was fully impaired during the year ended December 31, 2020.

(v) Mon Trésor Smart City Ltd

In the wake of the Covid-19 pandemic and its aftermath, the real estate activities of Omnicane Ltd have and will be adversely impacted. With the pandemic affecting the Group, the Smart City project had to be put on hold as the entire real estate business was affected in the country. Moreover, some client had cancelled reservation on ongoing projects and deposit received had to be refunded. In that respect, an impairment of Rs 730.9 M has been accounted in Mon Trésor Smart City Ltd during the year ended December 31, 2020.

(vi) Mon Trésor Business Gateway Phase I Ltd

During the year, the subsidiary Mon Trésor Business Gateway Phase I Ltd has been wound up and the cost of investment has been debited to the profit or loss.

The subsidiaries of Omnicane Limited are as follows:

			2021			2020		
			% Holding		Amount	% Holding		Amount
Companies	Type of shares held	Activity	Held directly	Held by other group companies	Rs'000	Held directly	Held by other group companies	Rs'000
Direct holding								
. Omnicane Milling Holdings (Mon Trésor) Limited	Ordinary	Investment	**80**	**-**	**-**	80	-	-
. Omnicane Milling Holdings (Britannia Highlands) Limited	Ordinary	Investment	**80**	**-**	**-**	80	-	-
. FAW Investment Limited	Ordinary	Investment	**100**	**-**	**148,206**	100	-	148,206
. Omnicane Logistic Operations Limited	Ordinary	Transport	**100**	**-**	**150,000**	100	-	150,000
. Omnicane Thermal Energy Holdings (St Aubin) Limited	Ordinary	Investment	**100**	**-**	**173,498**	100	-	173,498
. Omnicane Holdings (La Baraque) Thermal Energy Limited	Ordinary	Investment	**100**	**-**	**78,622**	100	-	78,622
. Omnicane Wind Energy Limited	Ordinary	Energy	**100**	**-**	**-**	100	-	-
. Omnicane Britannia Wind Farm Operations Limited	Ordinary	Energy	**100**	**-**	**-**	100	-	-
. Omnicane Ethanol Holdings Limited	Ordinary	Investment	**60**	**-**	**105,155**	60	-	105,155
. Airport Hotel Ltd	Ordinary	Hotel	**51**	**10**	**-**	51	10	-
. Omnicane Africa Investment Ltd	Ordinary	Investment	**100**	**-**	**-**	100	-	-
. Agri Hub and Company Ltd	Ordinary	Security	**100**	**-**	**-**	100	-	-
. Omnicane International Investment Co Ltd	Ordinary	Investment	**100**	**-**	**-**	100	-	-
. Omnicane Hydro Energy Limited	Ordinary	Management	**100**	**-**	**-**	100	-	-
. Blueport Investment Limited	Ordinary	Real Estate	**100**	**-**	**-**	100	-	-
. Mon Trésor Smart City Ltd*	Ordinary	Real Estate	**-**	**-**	**-**	100	-	1,964,230
. Mon Trésor Smart City Management Ltd	Ordinary	Real Estate	**100**	**-**	**-**	100	-	-
. Omnicane Sugar Trading Ltd	Ordinary	Sale of sugar	**100**	**-**	**-**	100	-	-
. Mon Trésor Retail Ltd	Ordinary	Retail	**-**	**100**	**-**	-	100	-
. Mon Trésor Business Gateway Phase 1 Ltd	Ordinary	Real Estate	**-**	**-**	**-**	100	-	938
. Omnihydro Ltd	Ordinary	Energy	**98**	**-**	**-**	98	-	-
. Omnicane International Trading Limited	Ordinary	Marketing	**100**	**-**	**-**	100	-	-
. Omnicane Milling Operations Limited	Ordinary Class B	Sugar Milling	**-**	**-**	**800,000**	-	-	800,000
					1,455,481			3,420,649

* On June 7, 2021, the Company disposed its 100% shareholding in Mon Trésor Smart City Ltd for a sales proceed of Rs 2.4 Bn.

** On June 1, 2021, the subsidiary was wound up.

Indirect holding								
. Omnicane Milling Operations Limited	Ordinary	Sugar Milling	-	80	390,888	-	80	390,888
. Omnicane Agricultural Operations Limited	Ordinary	Sugar Growing	-	100	10,400	-	100	10,400
. Omnicane Thermal Energy Operations (St Aubin) Limited	Ordinary	Energy	-	60	153,000	-	60	153,000
. Omnicane Thermal Energy Operations (La Baraque) Limited	Ordinary	Energy	-	60	456,600	-	60	456,600
. Thermal Valorisation Co Ltd	Ordinary	Energy	-	65	191,100	-	65	191,100
. Omnicane Ethanol Production Ltd	Ordinary	Ethanol	-	100	10	-	100	10
. Omnicane Bio-Ethanol Operations Limited	Ordinary	Ethanol	-	100	142,368	-	100	142,368
. Omnicane Heat and Power Services Ltd	Ordinary	Energy	-	100	200,000	-	100	200,000
. Trade Park Mon Trésor Limited***	Ordinary	Real Estate	-	-	-	-	-	-
. Mon Trésor Residences Phase 1 Ltd	Ordinary	Real Estate	-	100	1	-	100	1
. Mon Trésor Development and Training Center Ltd	Ordinary	Investment	-	100	100,000	-	100	100,000
. Mon Trésor Gateway Ltd	Ordinary	Real Estate	100	-	1,000	100	-	1,000
. Mon Trésor Studio Operations & Management Ltd**	Ordinary	Cinematography	-	100	1,000	-	100	1,000
. Mon Trésor Studio Property Ltd**	Ordinary	Real Estate	-	100	1,000	-	100	1,000
. Mon Trésor Studio Holdings Ltd**	Ordinary	Investment	-	100	1,000	-	100	1,000

***Amalgamated with Mon Trésor Smart City Ltd during the year ended December 31, 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

19 INVESTMENT IN SUBSIDIARIES (cont'd)

The financial statements of all the above subsidiaries, included in the consolidated financial statements, are co-terminous with those of the holding company. Except for FAW Investment Limited, which is incorporated in the Isle of Man and Omnihydro Rwanda Ltd, incorporated in Rwanda, all the subsidiary companies are incorporated in the Republic of Mauritius.

Subsidiaries with material non-controlling interests

Details of subsidiaries that have non-controlling interests that are material to the entity:

	Profit/(loss) allocated to non-controlling interests during the year		Non-controlling interests	
Name of subsidiaries	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Omnicane Thermal Energy Operations (St Aubin) Limited	**32,392**	25,224	**321,952**	289,560
Omnicane Thermal Energy Operations (La Baraque) Limited	**36,898**	90,741	**707,347**	670,449
Omnicane Milling Operations Limited	**11,544**	(78,422)	**(79,982)**	(91,526)
Omnicane Ethanol Production Ltd	**18,955**	43	**220,939**	201,984
Airport Hotel Ltd	**(21,067)**	(123,616)	**(75,384)**	(54,317)

20 INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At January 1,	**10,925**	41,980	**9,339**	5,287
Share of profit/(loss) for the year	**212**	(31,055)	**-**	-
Impairment (Note 12)	**-**	-	**(952)**	-
Reversal of impairment (Note 11 & 20(a))	**-**	-	**-**	4,052
At December 31,	**11,137**	10,925	**8,387**	9,339

(a) The Group has a 25% stake in Copesud. The Group accounts for its profit on an equity method. At the end of each financial year, the Group reassess the closing balance of its investment in associate based on its net assets value. No further indication of impairment has been noted during the year ended December 31,2021 (2020: review led to a reversal of an impairment of Rs 4 M).

The following companies are the associates of Omnicane Group:

Name	Year end	Principal place of business	Nature of business	Proportion of effective interest – % 2021	2020
Real Good Food Plc	March 31,	United Kingdom	Manufacturer and distributor of food	**20.74**	20.74
Kwale International Sugar Company Ltd	December 31,	Kenya	Sugar growing and manufacturing plant	**20.00**	20.00
Coal Terminal (Management) Co. Ltd	December 31,	Mauritius	Distributor of coal	**40.72**	40.72
Copesud (Mauritius) Ltée	December 31,	Mauritius	Agricultural products	**25.00**	25.00

(b) Summarised financial information in respect of the Group's material associate is set out below.

	Kwale International Sugar Company Ltd		Real Good Food Plc	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Current assets	**1,401,863**	1,844,249	**845,613**	1,025,104
Non-current assets	**18,718,189**	17,399,814	**2,496,713**	2,973,952
Current liabilities	**10,893,109**	8,534,504	**619,723**	949,315
Non-current liabilities	**5,432,331**	4,954,693	**1,759,501**	2,971,835
Equity attributable to owners of the Company	**3,794,656**	5,754,866	**1,030,846**	(18,241)
Revenue	**67,003**	361,264	**1,177,190**	833,569
Loss from continuing operations	**(3,117,289)**	(2,558,881)	**(71,638)**	(254,186)
Loss for the year	**(3,117,289)**	(2,558,881)	**1,111,866**	(214,880)
Other comprehensive loss for the year	**-**	(59,906)	**(404,750)**	(32,574)
Total comprehensive loss for the year	**(3,117,289)**	(2,618,748)	**707,116**	(247,454)

The carrying value of the above associates were fully impaired in prior years.

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

	2021			2020		
Name	Net assets Rs'000	Ownership interest %	Carrying value Rs'000	Net assets Rs'000	Ownership interest %	Carrying value Rs'000
Kwale International Sugar Co Ltd	**3,794,656**	**20.00**	**-**	5,754,866	20.00	-
Real Good Food Plc	**1,030,846**	**20.74**	**-**	(18,241)	20.74	-
Coal Terminal (Management) Co. Ltd	**6,755**	**40.72**	**2,750**	3,897	40.72	1,586
Copesud (Mauritius) Ltée	**33,545**	**25.00**	**8,387**	37,354	25.00	9,339
Total			**11,137**			10,925

(d) Aggregate information of associates that are not individually material:

	2021 Rs'000	2020 Rs'000
Group share of loss from continuing operations	**1,880**	1,073
Group share of other comprehensive income	**-**	-
Group share of total comprehensive income	**1,880**	1,073

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

21 INVESTMENT IN JOINT VENTURES

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000
At January 1,	**42,154**	46,033
Share of results for the year	**862**	(3,879)
Impairment (Note (i))	**(41,567)**	-
At December 31,	**1,449**	42,154

(a) Details of each of the Group's joint ventures as at December 31, 2021 are as follows:

Name	Year end	Principal place of business	Nature of business	Proportion of effective interest – % 2021	Proportion of effective interest – % 2020
Maref Mon Trésor Investment 1 Ltd	June 30,	Mauritius	Real Estate	**18.55**	18.55
Maref Mon Trésor Investment 2 Ltd	June 30,	Mauritius	Real Estate	**20.00**	20.00

All of the above joint ventures are accounted for using the equity method in these consolidated financial statements.

(b) Summarised financial information in respect of the Group's material joint ventures is set out below.

	Maref Mon Trésor Investment 1 Ltd 2021 Rs'000	Maref Mon Trésor Investment 1 Ltd 2020 Rs'000	Maref Mon Trésor Investment 2 Ltd 2021 Rs'000	Maref Mon Trésor Investment 2 Ltd 2020 Rs'000
Current assets	**14,757**	16,982	**288**	1,278
Non-current assets	**423,173**	398,343	**264,156**	264,184
Current liabilities	**17,913**	3,947	**61,551**	57,023
Non-current liabilities	**412,170**	408,220	**159,828**	-
Equity attributable to owners of the Company	**7,805**	3,158	**43,065**	207,841
Revenue	**20,771**	35,958	**-**	-
Profit/(loss) from continuing operations	**16,889**	(17,798)	**(441)**	(222)
Profit/(loss) for the year	**8,743**	(36,869)	**(1,021)**	(222)
Other comprehensive income	**-**	374	**-**	-
Total comprehensive income/(loss)	**8,743**	(36,495)	**(1,021)**	(222)

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

Name	2021 Net assets Rs'000	2021 Ownership interest %	2021 Carrying value Rs'000	2020 Net assets Rs'000	2020 Ownership interest %	2020 Carrying value Rs'000
Maref Mon Trésor Investment 1 Ltd	**7,805**	**18.55**	**1,448**	3,158	18.55	586
Maref Mon Trésor Investment 2 Ltd	**43,065**	**20.00**	**1**	207,841	20.00	41,568
Total			**1,449**			42,154

(i) The directors have reviewed the financial position of Maref Mon Trésor Investment 2 Ltd and are of opinion that the carrying value is less than the recoverable amount as all the projects of the joint venture have been put on hold and the future date when the project will resume is remote. The review led to the recognition of an impairment of Rs 41.6 M in profit or loss during the year.

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
At January 1,	**28**	122,872	**25**	29
Disposals	**-**	(122,306)	**-**	-
Change in fair value of equity instruments	**3**	(538)	**3**	(4)
At December 31,	**31**	28	**28**	25

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

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Quoted:				
Equity securities - [Mauritius]	**26**	23	**26**	23
Unquoted:				
Equity securities - [Mauritius]	**5**	5	**2**	2
	31	28	**28**	25

(c) The quoted equity have been classified within level 1 and the unquoted securities have been classified within level 3.

(d) The fair value of quoted securities is based on published market prices. The value of the unquoted securities approximate its fair values.

23 FINANCIAL ASSETS AT AMORTISED COST

	Non-current 2021 Rs'000	Non-current 2020 Rs'000	Current 2021 Rs'000	Current 2020 Rs'000
THE GROUP				
Receivable from related parties	**-**	1,002,881	**2,602,304**	1,904,424
Other receivables	**19,589**	-	**513,515**	569,883
	19,589	1,002,881	**3,115,819**	2,474,307
Less: Loss allowance on financial assets at amortised cost (Note 23 (a))	**-**	(1,002,881)	**(2,385,532)**	(1,372,191)
	19,589	-	**730,287**	1,102,116
THE COMPANY				
Receivable from related parties	**2,379,068**	2,289,889	**3,653,693**	4,284,895
Other receivables	**-**	-	**56,691**	72,221
	2,379,068	2,289,889	**3,710,384**	4,357,116
Less: Loss allowance on financial assets at amortised cost (Note 23 (a))	**(27,294)**	(27,294)	**(3,215,389)**	(3,140,088)
	2,351,774	2,262,595	**494,995**	1,217,028

For the Company, non-current receivables in respect of amount owed by Omnicane Milling Operations Limited and Omnicane Agricultural Operations Limited , bear interest of PLR plus 1.5% per annum (2020 - PLR plus 1.5% per annum).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

23 FINANCIAL ASSETS AT AMORTISED COST (cont'd)

The Group and the Company recognise loss allowance in accordance with IFRS 9. There has been no change in the estimation techniques or significant assumptions made in the current reporting period. Loss allowance have been provided in full for receivables from Kwale International Sugar Company Limited as this project is going through a financial restructuring exercise which has been delayed by the covid-19 pandemic and which is still uncompleted to date. Other loss allowance recognised against other related parties is based on the financial position and performance of other related parties.

(a) Loss allowance on financial assets at amortised cost

The loss allowance for financial assets at amortised cost as at January 1, reconciles to the closing loss allowance as at December 31, as follows:

	Related parties Rs'000	Other receivables Rs'000	Total Rs'000
THE GROUP			
Loss allowance at January 1, 2020	1,137,530	28,580	1,166,110
Allowance recognised in profit or loss during the year	1,189,234	19,728	1,208,962
Loss allowance at December 31, 2020	**2,326,764**	**48,308**	**2,375,072**
Allowance recognised in profit or loss during the year (Note 12)	**5,487**	**4,973**	**10,460**
Loss allowance at December 31, 2021	**2,332,251**	**53,281**	**2,385,532**
THE COMPANY			
Loss allowance at January 1, 2020	1,515,356	23,805	1,539,161
Allowance recognised in profit or loss during the year	1,622,344	5,877	1,628,221
Loss allowance at December 31, 2020	**3,137,700**	**29,682**	**3,167,382**
Allowance recognised in profit or loss during the year (Note 12)	**72,469**	**2,832**	**75,301**
Loss allowance at December 31, 2021	**3,210,169**	**32,514**	**3,242,683**

24 DEFERRED TAX LIABILITIES

Deferred income tax is calculated on all temporary differences under the liability method at 17% (2020: 17%).

(a) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity.

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

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Deferred tax liabilities	**326,514**	335,919	**-**	-

	Losses brought forward Rs'000	Losses for the year Rs'000	Losses carried forward Rs'000	Available for set-off up to the year ending
Year of assessment 2016/2017				
Arising from annual allowance	18,484	-	18,484	31/12/2022
Year of assessment 2017/2018				
Arising from annual allowance	16,258	-	16,258	
Other losses	203,701	-	203,701	31/12/2022
Year of assessment 2018/2019				
Arising from annual allowance	22,059	-	22,059	
Other losses	187,559	-	187,559	31/12/2023
Year of assessment 2019/2020				
Arising from annual allowance	1,482	-	1,482	
Other losses	49,119	-	49,119	31/12/2024
Year of assessment 2020/2021				
Arising from annual allowance	1,529	-	1,529	
Other losses	121,689	-	121,689	31/12/2025
Year of assessment 2021/2022				
Arising from annual allowance	-	1,520	1,520	
Other losses	-	200,579	200,579	31/12/2026
	621,880	202,099	823,979	

(b) Tax losses

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Unused tax losses at end of the reporting year	**2,743,961**	2,126,332	**823,979**	672,448

(c) Movement on the deferred income tax account

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At January 1,	**335,919**	246,711	**-**	(68,257)
Charged/(credited) to profit or loss (Note 13(a))	**(9,360)**	82,099	**-**	60,913
Charged to other comprehensive income	**(45)**	7,109	**-**	7,344
At December 31,	**326,514**	335,919	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

24 DEFERRED TAX (ASSETS)/LIABILITIES (cont'd)

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

	Tax losses Rs'000	Retirement benefit obligations Rs'000	Accelerated tax depreciation Rs'000	Bearer biological assets Rs'000	Total Rs'000
THE GROUP					
Deferred tax liabilities/(assets)					
At January 1, 2020	(35,529)	(47,043)	311,781	17,502	246,711
Charged to profit or loss	16,644	37,080	39,667	(11,292)	82,099
Credited to other comprehensive income	-	7,109	-	-	7,109
At December 31, 2020	**(18,885)**	**(2,854)**	**351,448**	**6,210**	**335,919**
Charged to profit or loss	**(476)**	**(1,835)**	**(7,049)**	**-**	**(9,360)**
Credited to other comprehensive income	**-**	**5**	**(50)**	**-**	**(45)**
At December 31, 2021	**(19,361)**	**(4,684)**	**344,349**	**6,210**	**326,514**
THE COMPANY					
Deferred tax liabilities/(assets)					
At January 1, 2020	(13,279)	(43,653)	(22,617)	11,292	(68,257)
Charged to profit or loss	13,279	36,309	22,617	(11,292)	60,913
Credited to other comprehensive income	-	7,344	-	-	7,344
At December 31, 2021 and 2020	-	-	-	-	-

25 INVENTORIES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Spare parts & consumables				
- Growing	**15,137**	14,193	**17,662**	16,462
- Milling	**94,282**	80,148	**-**	-
- Energy production	**671,062**	522,529	**-**	-
- Ethanol and Molasses	**122,609**	103,170	**-**	-
- Others	**17,087**	10,706	**-**	-
- Inventory property	**1,464,502**	1,094,198	**796,824**	834,411
- Transfer (to)/from PPE (Note 15)	**(3,814)**	(1,519)	**7,692**	(1,519)
- Transfer (to)/from investment property (Note 17)	**(153,330)**	323,278	**-**	-
- Write down of inventories	**(212,100)**	(177,691)	**(35,764)**	(37,096)
	2,015,435	1,969,012	**786,414**	812,258

(i) The cost of inventories recognised as expense and included under operating expenses amounted to **Rs 2,501 M** (2020: Rs 1,782 M) for the Group and **Rs 45 M** (2020: Rs 31 M) for the Company.

(ii) Inventories amounting to **Rs 2,015 M** (2020: Rs 1,969 M) for the Group and **Rs 786 M** (2020: Rs 812 M) for the Company have been pledged as security for borrowings.

(iii) The write down of inventories refer to morcellement and property projects which has been adjusted to net realisable value to reflect current market conditions. The charge for the year amounts to **Rs 34 M** for the Group (2020: Rs 38 M) and Rs 0.06 M for the Company (2020: Rs 36 M).

26 CONSUMABLE BIOLOGICAL ASSETS

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
At fair value				
At January 1,	**62,938**	39,752	**43,413**	23,164
Additions	**-**	660	**-**	-
Gain/(loss) arising from changes in fair value	**46,350**	22,526	**27,949**	20,249
At December 31,	**109,288**	62,938	**71,362**	43,413

Consumable biological assets represent mainly the fair value of standing canes. The fair value of standing canes has been arrived at by discounting the present value of expected net cash flows at the relevant market determined pre-tax rate. The expected cash flows have been computed by estimating the expected crop, the sugar extraction rate and the forecasts of sugar prices which will prevail in the coming year. The harvesting costs and other direct costs are based on yearly budgets.

The fair value measurements for standing canes have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

At December 31, 2021, standing canes comprised approximately **1,970 hectares** of cane plantations (2020: 2,540 hectares) for the Group and **1,492 hectares** (2020: 1,992 hectares) for the Company.

For the year 2022, the Group forecasts to harvest approximately **170,700 tons** of canes (2020: 195,000 tons) and the Company to harvest **118,200 tons** (2020: 143,000 tons).

At December 31, 2021, the most significant unobservable inputs used for the valuation of standing canes using the discounted cash flow valuation techniques are as follows:

	Range of unobservable inputs		Sensitivity	Effect on fair value	
	2021	2020		**2021**	2020
THE GROUP					
Key unobservable input					
Expected price of sugar – Rs	**17,025**	13,889	+/-5%	**+/-10,499**	+/-9,735
Estimated cane production – tons	**170,700**	195,000	+/-5%	**+/-8,119**	+/-5,890
Average extraction rate – %	**10.08**	10.13	+/-1%	**+/-2,258**	+/-1,947
Estimated discount rate – %	**7.60**	8.00	+/-1%	**+/-134**	+/-85
THE COMPANY					
Key unobservable input					
Expected price of sugar – Rs	**17,025**	13,889	+/-5%	**+/-7,295**	+/-7,240
Estimated cane production – tons	**118,200**	143,500	+/-5%	**+/-5,634**	+/-4,354
Average extraction rate – %	**10.11**	10.18	+/-1%	**+/-1,569**	+/-1,448
Estimated discount rate – %	**7.60**	8.00	+/-1%	**+/-114**	+/-78

The Group's and the Company's sugarcane plantations are exposed to the risk of damage from extreme weather events such as storms, high winds and drought. Changes in global climate conditions could intensify one or more of these events. Periods of drought and associated high temperatures may increase the risk of Sugarcane fires and insect outbreaks. In addition to their effects on Sugarcane yields, extreme weather events may also increase the cost of operations. The Group and the Company have extensive processes in place aimed at monitoring and mitigating these risks through proactive management and early detection. Physical risks arising from fires and drought are to a great extent subject to risk transfer and thereby within the cover of the Group's property and business interruption insurance programmes. However, should the frequency and severity of these events increase as a result of climate change, the cost of such coverage may increase.

At the Group, 80 % of the harvesting is done mechanically using specialised industrial equipment. Traditionally, the cane was burnt before harvesting to remove leaves and other wastes which could impede milling. However, as a means to reduce herbicides, sugarcane are green-harvested, thus recycling nitrogen in the plant, keeping the humidity in the soil and avoiding the growth of weeds. Since September 2019, the Group's farms at Britannia and Mon Tresor along with its sugar factory and the distillery have all been successfully certified to Bonsucro's Production and Chain of Custody standards by SGS Global Services. With this certification, Omnicane becomes the first company in Mauritius and the African region to be Bonsucro certified.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

26 CONSUMABLE BIOLOGICAL ASSETS (cont'd)

In line with the Bonsucro implementation, a major achievement has been to reduce herbicides application rate to the core requirement of less than 5 kg active ingredient per hectare. Indeed, as at end December 2020, both Mon Tresor and Britannia recorded a combined herbicides application result of 2.31 kg active ingredient per hectare (2019: 3.0 kg a.i/hectare). This enabled us not only to be Bonsucro compliant but also further minimize the risk of herbicide runoff, surface and underground water contamination. In addition, Omnicane Agriculture has also optimized their fertilizer application by applying granular urea for nitrogen requirements while adopting a mix of bagasse ash and Concentrated Molasses Stillage provided an organic source of potassium requirements for their plantation. This has enabled them to considerably reduce their fertilizers cost.

27 TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
Trade receivables (Note 27(a))	**607,256**	797,177	**85,253**	54,228
Loss allowance	**(1,143)**	(2,100)	**-**	-
	606,113	795,077	**85,253**	54,228

(a) The average credit period on sales for the Group and the Company is 52 and 30 days respectively. No interest is charged on outstanding trade receivables. Trade receivables represent mainly electricity, steam, ethanol and sugar proceeds receivable. The sugar proceeds receivable are paid by the Mauritius Sugar Syndicate (MSS) as and when proceeds are received. Advances on sugar proceeds are paid on a weekly basis during crop period and the final settlement for the crop year is made at latest in July of the following year. Refined sugar become receivable as and when the Group invoices the MSS.

Electricity, refined sugar and ethanol proceeds receivable are generally paid within one month.

The Group and the Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The loss allowance is assessed on an individual basis and is based on the current financial position and financial performance of the debtor, taking into consideration the history of receipt from the debtor, contracts and any guarantee provision. There has been no change in estimation techniques or significant assumptions made during the current reporting period. The ECL is on these trade receivables are not material and management has not recognised any ECL as at December 31, 2021 and December 31, 2020. The loss allowance as at reporting date related to specific provision made on.

	Loss allowances Rs'000
THE GROUP	
Loss allowance at January 1, 2020	3,189
Allowance recognised in profit or loss during the year	(1,079)
Loss allowance at December 31, 2020	**2,110**
Allowance recognised in profit or loss during the year	**(967)**
Loss allowance at December 31, 2021	**1,143**

28 NON-CURRENT ASSETS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	**2021 Rs'000**	2020 Rs'000
At January 1,	**-**	12,893	**-**	-
Write off	**-**	(2,337)	**-**	-
Transfer from property, plant and equipment (Note 15)	**1,868,883**	-	**1,868,883**	-
Impairment (Note 12)	**-**	(10,556)	**-**	-
At December 31,	**1,868,883**	-	**1,868,883**	-

The freehold land has been disposed subsequent to year end for a total consideration of Rs 2.0 Bn. The fair value of the property has been assessed by the directors on the basis of its recent disposal proceeds received being the amount for which the properties have been exchanged between knowledgeable willing parties. The directors are of the opinion that the carrying amount represent the fair value of the properties as at December 31, 2021. As at year ended December 31, 2020, a full provision of impairment amounting to Rs 10.6 M was accounted as there was no potential buyer for the purchase of these assets.

29 SHARE CAPITAL

	THE GROUP & THE COMPANY
	2021 & 2020 Rs'000
Issued and fully paid	
67,012,404 ordinary shares of Rs 7.50 each	**502,593**

The total authorised number of ordinary shares is **67,012,404 shares** (2020: 67,012,404) with a par value of **Rs 7.50** per share (2020: Rs 7.50). All issued shares are fully paid.

30 REVALUATION AND OTHER RESERVES

	Revaluation reserve Rs'000	Financial assets at FVOCI reserve Rs'000	Actuarial reserve Rs'000	Translation reserve Rs'000	Owners' interest Rs'000
THE GROUP					
At January 1, 2021	**6,926,228**	**15**	**(280,802)**	**23,100**	**6,668,541**
Remeasurement of defined benefit obligations	**-**	**-**	**143,248**	**-**	**143,248**
Increase in fair value of investment	**-**	**3**	**-**	**-**	**3**
Deferred tax effect on remeasurements of defined benefit obligations	**-**	**-**	**24**	**-**	**24**
Currency translation differences	**-**	**-**	**-**	**11,537**	**11,537**
Increase in value of land conversion rights	**22,770**			**-**	**22,770**
Adjustment during the year	**(1,308)**	**-**	**-**	**-**	**(1,308)**
Transfer from revaluation reserve to retained earnings	**(1,533,044)**	**-**	**-**	**-**	**(1,533,044)**
At December 31, 2021	**5,414,646**	**18**	**(137,530)**	**34,637**	**5,311,771**
At January 1, 2020	5,066,701	342	(182,875)	26,208	4,910,376
Remeasurement of defined benefit obligations	-	-	(97,927)	-	(97,927)
Decrease in fair value of investments	-	(327)	-	-	(327)
Decrease in value of land conversion rights	(36,278)	-	-	-	(36,278)
Surplus on revaluation of land	1,904,820	-	-	-	1,904,820
Currency translation differences	-	-	-	(3,108)	(3,108)
Transfer from revaluation reserve to retained earnings	(9,015)	-	-	-	(9,015)
At December 31, 2020	6,926,228	15	(280,802)	23,100	6,668,541

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

30 REVALUATION AND OTHER RESERVES (cont'd)

	Revaluation reserve Rs'000	Financial assets at FVOCI reserve Rs'000	Actuarial reserve Rs'000	Total Rs'000
THE COMPANY				
At January 1, 2021	**6,523,690**	**15**	**(178,043)**	**6,345,662**
Remeasurement of defined benefit obligations (Note 33)	**-**	**-**	**74,142**	**74,142**
Increase in fair value of investment (Note 22(a))	**-**	**3**	**-**	**3**
Transfer from revaluation reserve to retained earnings	**(61,454)**	**-**	**-**	**(61,454)**
Increase in value of land conversion rights (Note 18 (b))	**10,939**	**-**	**-**	**10,939**
At December 31, 2021	**6,473,175**	**18**	**(103,901)**	**6,369,292**
At January 1, 2020	4,694,615	19	(119,581)	4,575,053
Revaluation surplus (Note 15)	1,855,518	-	-	1,855,518
Remeasurement of defined benefit obligations (Note 33)	-	-	(51,118)	(51,118)
Decrease in fair value of investment (Note 22(a))	-	(4)	-	(4)
Transfer from revaluation reserve to retained earnings	(9,015)	-	-	(9,015)
Deferred tax effect on remeasurements of defined benefit obligations (Note 24 (c))	-	-	(7,344)	(7,344)
Decrease in value of land conversion rights (Note 18(b))	(17,428)	-	-	(17,428)
At December 31, 2020	6,523,690	15	(178,043)	6,345,662

Revaluation reserve

The revaluation reserve relates to the surplus on revaluation of land and land conversion rights.

Financial assets at FVOCI reserve

It represents the cummulative fair value movement for financial assets measured at fair value through other comprehensive income.

Actuarial reserve

The actuarial reserve represents the cumulative remeasurement of defined benefit obligations recognised in other comprehensive income.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

31 BORROWINGS

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
Non-current				
Bank loans (Note 31(a))	**2,111,331**	3,283,666	**197,500**	944,292
Import loans (Note 31(d))	**-**	19,986	**-**	-
Private placement (Note 31(e))	**2,229,579**	-	**2,229,579**	-
	4,340,910	3,303,652	**2,427,079**	944,292
Current				
Bank overdrafts (Note 31(b))	**1,181,801**	1,291,001	**887,343**	1,012,775
Bank loans (Note 31(a))	**1,978,327**	1,996,089	**590,413**	458,819
Import loans (Note 31(d))	**590,860**	56,120	**-**	-
Private placement (Note 31(e))	**-**	2,529,752	**-**	2,529,752
Bonds (Note 31(c))	**-**	1,595,078	**-**	1,595,078
	3,750,988	7,468,040	**1,477,756**	5,596,424
Total borrowings	**8,091,898**	10,771,692	**3,904,835**	6,540,716

31 BORROWINGS (cont'd)

(a) Bank loans

The bank loans are secured by floating charges on the Group's and the Company's assets, including property, plant and equipment (Note 15). The rates of interest on these loans vary between 1.16% and 6.75% (2020: 1.16% and 6.75%) for the Group and between 3.95% and 6.75% (2020: 3.04% and 6.75%) for the Company.

	THE GROUP 2021 Rs'000	THE GROUP 2020 Rs'000	THE COMPANY 2021 Rs'000	THE COMPANY 2020 Rs'000
The maturity of non-current bank loans are as follows:				
- After one year and before two years	**738,778**	935,899	**122,500**	146,792
- After two years and before five years	**852,719**	1,912,206	**75,000**	797,500
- After five years	**519,834**	435,561	**-**	-
	2,111,331	3,283,666	**197,500**	944,292

During the year, two subsidiaries of the Company have breached one of the covenants attached to their respective bank loans and no waiver was received at reporting date. Hence as per the requirements of IAS 7, the bank loans of Rs 522.4 M have been reclassified as current.

(b) Bank overdrafts

All bank overdrafts are secured by floating charges on the Group's and the Company's assets. The rates of interest on bank overdrafts vary between 3.85% and 5.75% at year end (2020: 3.85% and 5.75%) for the Group and between 3.10% and 5.35% (2020: 3.85% and 5.15%) for the Company.

(c) Bonds

	THE GROUP & THE COMPANY 2021 Rs'000	THE GROUP & THE COMPANY 2020 Rs'000
- Within one year	-	1,595,078

These relate to multi-currency medium-term loan notes which are secured by floating charges on the assets of the Company and bear both fixed and floating coupon rates. During the year, the bonds were fully repaid with the proceeds from the sales of a subsidiary of the Group (refer to note 19).

(d) Import loans

The import loans are in USD: LIBOR (floored at zero) plus a margin of 1.85% – 2% is being charged in daily debit balances. The import loans are secured by floating charges on the assets of the Group and repayable within 120 days. These have been fully repaid subsequent to the year end.

(e) Private placement

	THE GROUP & THE COMPANY 2021 Rs'000	THE GROUP & THE COMPANY 2020 Rs'000
- Within one year	**-**	2,529,752
- Between one and two years	**2,229,579**	-
	2,229,579	2,529,752

The private placement loan notes are secured by floating charges on the assets of the Company and bear a fixed coupon rate. As at December 31, 2021, the coupon rate on the private placement is 6.40% (2020: 5.90%-6.40%). During the year, early repayment of the private placement maturing in 2022 and amounting to Rs 300 M has been effected from the sales of a subsidiary of the Group (refer to note 19).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

31 BORROWINGS (cont'd)

(f) All rupee denominated bank overdrafts and bank borrowings bear interest rates which can fluctuate anytime when the banks modify their Prime Lending Rates based on the Bank of Mauritius' Repo rate. Euro denominated bank borrowings bear fixed and floating interest rates.

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

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Mauritian Rupee	**6,210,013**	8,335,651	**3,904,835**	6,269,266
Euro	**776,579**	1,229,719	**-**	-
GBP	**110,649**	427,532	**-**	271,450
US Dollar	**994,657**	778,790	**-**	-
	8,091,898	10,771,692	**3,904,835**	6,540,716

(h) The effective interest rates at the date of the statement of financial position were as follows:

	2021		2020	
	Rs %	EUR, GBP & USD %	Rs %	EUR, GBP & USD %
THE GROUP				
Bank loans	**1.50 - 6.75**	**1.16 - 5.00**	1.50 - 6.75	1.16 - 5.23
Bank overdrafts	**3.85 - 5.75**	**N/A**	3.85 - 5.75	N/A
Short-term loan	**3.95 - 6.75**	**N/A**	5.25	N/A
Loan from related party	**3.60 - 5.60**	**N/A**	4.75 - 6.25	N/A
Lease liabilities	**4.75 - 8.25**	**N/A**	4.75 - 8.25	N/A
Private placement	**6.40**	**N/A**	5.90 - 6.40	N/A
Import loans	**1.77 - 2.23**	**N/A**	2.34 - 5.10	N/A
Bonds	**N/A**	**N/A**	3.05 - 6.80	N/A

	2021		2020	
	Rs %	GBP %	Rs %	GBP %
THE COMPANY	**%**	**%**	%	%
Bank loans	**3.95 - 6.75**	**N/A**	3.95 - 6.75	3.04
Bank overdrafts	**3.10 - 5.55**	**N/A**	3.85 - 5.15	N/A
Short-term loan	**3.95 - 6.75**	**N/A**	5.25	N/A
Loan from related party	**3.60 - 5.60**	**N/A**	4.75 - 6.25	N/A
Lease liabilities	**4.25 - 6.25**	**N/A**	5.85 - 7.75	N/A
Private placement	**6.40**	**N/A**	5.90 - 6.40	N/A
Bonds	**N/A**	**N/A**	3.05 - 6.80	N/A

32 LEASE LIABILITIES

	Land & buildings Rs'000	Plant machinery & motor vehicles Rs'000	Total Rs'000
THE GROUP			
At January 1, 2020	251,956	93,187	345,143
Additions	-	24,883	24,883
Loss on exchange	18,122	-	18,122
Lease payments	(18,635)	(23,885)	(42,520)
At December 31, 2020	**251,443**	**94,185**	**345,628**
Additions	**3,030**	**59,437**	**62,467**
Loss on exchange	**9,245**	**-**	**9,245**
Lease payments	**(14,650)**	**(33,815)**	**(48,465)**
At December 31, 2021	**249,068**	**119,807**	**368,875**

	2021 Rs'000	2020 Rs'000
Maturity analysis		
Year 1	**77,698**	68,366
Year 2	**73,485**	62,265
Year 3	**65,767**	57,576
Year 4	**54,087**	49,196
Year 5	**44,436**	37,683
Onwards	**320,797**	347,987
	636,270	623,073
Less unearned interest	**(267,395)**	(277,445)
Total lease liabilities	**368,875**	345,628
Current	**78,437**	48,479
Non-current	**290,438**	297,149
	368,875	345,628

	Land & buildings Rs'000	Plant machinery & motor vehicles Rs'000	Total Rs'000
THE COMPANY			
At January 1, 2020	201,644	13,781	215,425
Additions	-	1,189	1,189
Loss on exchange	18,122	-	18,122
Lease payments	(16,740)	(4,300)	(21,040)
At December 31, 2020	**203,026**	**10,670**	**213,696**
Additions	**-**	**1,189**	**1,189**
Loss on exchange	**13,603**	**-**	**13,603**
Lease payments	**(15,290)**	**(5,504)**	**(20,794)**
At December 31, 2021	**201,339**	**6,355**	**207,694**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

32 LEASE LIABILITIES (cont'd)

	2021 Rs'000	2020 Rs'000
THE COMPANY		
Maturity analysis		
Year 1	**34,509**	33,404
Year 2	**34,201**	32,222
Year 3	**33,693**	31,628
Year 4	**34,023**	30,825
Year 5	**34,814**	31,085
Onwards	**191,695**	219,031
	362,935	378,195
Less unearned interest	**(155,241)**	(164,499)
Total lease liabilities	**207,694**	213,696
Current	**22,513**	20,976
Non-current	**185,181**	192,720
	207,694	213,696

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the treasury department.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Non-current	**290,438**	297,149	**185,181**	192,720
Current	**78,437**	48,479	**22,513**	20,976
	368,875	345,628	**207,694**	213,696

33 RETIREMENT BENEFIT OBLIGATIONS

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Amounts recognised in the statements of financial position as non-current liabilities:				
- Pension benefits (Note 33(a)(ii))	**368,047**	538,069	**191,255**	271,187
Amount charged to profit or loss:				
- Pension benefits (Note 33(a)(vi))	**25,193**	46,184	**13,084**	9,275
Amount charged/(credited) to other comprehensive income:				
- Pension benefits (Note 33(a)(vii))	**(160,042)**	101,270	**(74,142)**	51,118

(a) **Pension benefits**

(i) The Group and the Company operate a final salary defined benefit pension or retirement plan for some employees and any plan assets are held separately from the Group and the Company. The assets of the plan are invested in unitised funds held within the SIPF. Other post retirement benefits relate mainly to gratuities on death and on retirement that are based on length of service and salaries at date of death and retirement. The unfunded portion of the obligation concern employees who are entitled to retirement benefits payable under the "Workers Rights Act 2019". This provides for a lump sum at retirement based on final salary and years of service.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligations were carried out at December 31, 2021 by AON Hewitt Ltd (Actuarial Valuer). The present value of the defined benefit obligations, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The pension plans typically expose the Group and the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity risk – The liabilities disclosed are based on mortality tables A and PA 67/70 (92). If the experience of the pension plan is less favorable than the standard mortality tables, the liability will increase.

Interest rate risk – If bond yields decline, the liability would be calculated using a lower discount rate and would therefore increase.

Investment risk – The present value of the liabilities of the plan are calculated using a discount rate. Should the returns on the assets of the plan be lower than the discount rate, a deficit will arise.

Salary risk – If salary increases are higher than anticipated in our assumptions, the liabilities would increase giving rise to actuarial losses.

The Group and the Company expect to make a contribution of Rs 11.8 M and Rs 3.3 M respectively to the defined benefit plan during the year 2022.

(ii) Amounts recognised in the statements of financial position:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Present value of funded obligations	**610,501**	762,976	**315,907**	392,323
Fair value of plan assets	**(421,674)**	(395,752)	**(208,543)**	(196,930)
	188,827	367,224	**107,364**	195,393
Present value of unfunded obligations	**179,220**	170,845	**83,891**	75,794
Liability in the statements of financial position	**368,047**	538,069	**191,255**	271,187

(iii) Reconciliation of retirement benefit obligations:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At January 1,	**538,069**	472,476	**271,187**	263,112
Charged to profit or loss	**25,193**	46,184	**13,084**	9,275
Charged/(credited) to other comprehensive income	**(160,042)**	101,270	**(74,142)**	51,118
Contributions paid	**(35,173)**	(81,861)	**(18,874)**	(52,318)
At December 31,	**368,047**	538,069	**191,255**	271,187

(iv) Movements in the defined benefit obligations:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At January 1,	**933,821**	860,603	**468,117**	466,299
Current service cost	**11,713**	15,792	**3,925**	6,124
Employee contributions	**876**	1,937	**347**	495
Interest cost	**23,433**	37,582	**11,734**	19,459
Past service cost	**33**	10,359	**2,357**	(7,514)
Benefits paid	**(63,430)**	(94,112)	**(33,824)**	(68,496)
Liability experience (gains)/losses	**(8,947)**	(10,897)	**(3,193)**	675
Actuarial gains due to change in demographic assumptions	**-**	-	**-**	(7,896)
Actuarial losses due to change in financial assumptions	**(107,778)**	112,557	**(49,665)**	58,971
At December 31,	**789,721**	933,821	**399,798**	468,117

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

33 RETIREMENT BENEFIT OBLIGATIONS (cont'd)

(v) Movements in the fair value of plan assets of the year:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
At January 1,	**395,752**	388,127	**196,930**	203,187
Interest income	**10,479**	17,734	**4,932**	8,794
Return on plan assets excluding interest income	**43,317**	390	**21,284**	632
Employer contributions	**34,680**	81,676	**18,874**	52,318
Employee contributions	**876**	1,937	**347**	495
Benefits paid	**(63,430)**	(94,112)	**(33,824)**	(68,496)
At December 31,	**421,674**	395,752	**208,543**	196,930

(vi) Amounts recognised in profit or loss:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Current service cost	**11,713**	15,773	**3,925**	6,124
Past service cost	**33**	10,359	**2,357**	(7,514)
Net interest on net defined benefit liability	**13,447**	20,052	**6,802**	10,665
Total included in employee benefit expense	**25,193**	46,184	**13,084**	9,275

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

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Liability experience (gains)/losses	**(8,947)**	(10,671)	**(3,193)**	675
Actuarial gains arising from changes in financial assumptions	**(107,778)**	-	**-**	(7,896)
Actuarial losses arising from changes in financial assumptions	**-**	112,331	**(49,665)**	58,971
	(116,725)	101,660	**(52,858)**	51,750
Return on plan assets excluding interest income	**(43,317)**	(390)	**(21,284)**	(632)
Liability losses/(gains) due to change in demographic assumptions	**(160,042)**	101,270	**(74,142)**	51,118

(viii) The assets in the plan were:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Overseas equities	**117,984**	98,938	**58,392**	49,233
Local equities	**105,304**	91,023	**52,136**	45,294
Debt	**109,962**	110,811	**54,221**	55,140
Property	**71,603**	71,235	**35,452**	35,447
Cash and others	**16,821**	23,745	**8,342**	11,816
Total market value of assets	**421,674**	395,752	**208,543**	196,930

(ix) The assets of the plan are invested in equities, fixed interest bonds and bank deposits. The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the end of the reporting period. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

(x) The funding policy is to pay contributions to an external legal entity at the rate recommended by the Group's actuary. Expected contributions to post-employment benefit plans for the year ended December 31, 2021 are **Rs 25.3 M** for the Group and **Rs 14.8 M** for the Company.

(xi) The weighted average duration of the defined benefit obligations at the end of the reporting period for the Group is between 7 to 26 years and for the Company 9 years.

(xii) The principal actuarial assumptions used for accounting purposes were:

	THE GROUP		THE COMPANY	
	2021 %	2020 %	2021 %	2020 %
Discount rate	**5.25**	2.94	**4.10**	2.60
Future salary increases – staff	**3.05**	0.98	**3.00**	1.20
Future salary increases – artisans	**2.00**	-	**-**	-
Average retirement age (ARA)	**62**	62	**65**	65/60

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Increase in defined benefit obligation due to 1% increase in discount rate	**81,166**	112,198	**36,907**	52,144
Decrease in defined benefit obligation due to 1% increase in discount rate	**67,759**	91,231	**31,341**	42,693
Increase in defined benefit obligation due to 1% increase in salary	**8,863**	N/A	**4,480**	N/A
Decrease in defined benefit obligation due to 1% increase in salary	**7,494**	N/A	**3,906**	N/A

34 PAYABLE TO RELATED PARTIES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Holding company	**-**	883	**-**	883
Subsidiary companies	**-**	-	**506,284**	629,871
Subsidiaries of holding company	**177,364**	180,238	**111,529**	106,937
Companies with common directors	**-**	58,869	**-**	-
	177,364	239,990	**617,813**	737,691

The amount payable to related parties are interest bearing and these amounts are repayable on demand.

35 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Trade payables	**1,079,259**	856,427	**124,718**	124,419
Other payables and accrued expenses	**1,080,880**	1,052,023	**289,265**	275,591
Deposit on sale of land	**781,088**	805,359	**647,596**	805,359
	2,941,227	2,713,809	**1,061,579**	1,205,369

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

Trade payables and accruals principally comprise amounts outstanding for the trade purchases and ongoing costs. The average credit period taken for trade purchases for the Group and the Company is 77 days and 33 days respectively. No interest is charged on the trade creditors from the date of invoice by the supplier for the Group and the Company. The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit terms.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

36 DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP & THE COMPANY	
	2021 Rs'000	2020 Rs'000
Trading derivatives - Level 1	-	3,655

The derivative financial instrument has been repaid during the year.

At December 31, 2020, the Group and the Company had the following Forex deal to sell EUR as shown below:

Type of Forex deal	Currency	Amount	Currency	Counter amount	Value date
Swap Contract	EUR'000	2,200	GBP'000	1,995	1/15/21

The notional principal amount of the outstanding future security contract at December 31, 2020 was GBP 2 M. As at December 31, 2021, there were no open swap contract.

37 NON-CONTROLLING INTERESTS

	THE GROUP	
	2021 Rs'000	2020 Rs'000
At January 1,	780,819	1,021,526
Total comprehensive income for the year:		
- Profit/(loss) for the year	32,557	(151,435)
- Other comprehensive income/(loss) for the year	24,703	(10,872)
Contribution by non-controlling interest	19,425	-
Dividends declared by subsidiaries to non-controlling interests	(28,000)	(78,400)
At December 31,	829,504	780,819

During the year ended December 31, 2021, contribution amount was injected by the non-controlling interest pending allotment of shares at year end.

38 DIVIDENDS

No dividend was declared and paid to the shareholders during the year (2020: nil).

39 NOTES TO THE STATEMENTS OF CASH FLOWS

			THE GROUP		THE COMPANY	
		Notes	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
(a)	**Cash generated from/(used in) operations before working capital changes:**					
	(Loss)/profit before taxation		(691,732)	(2,762,397)	87,251	(3,634,115)
	Adjustments for:					
	Depreciation of property, plant and equipment	15	484,237	493,339	38,252	46,295
	Depreciation of right-of-use assets	16	49,015	52,738	25,859	26,215
	Amortisation of intangible assets	18	21,327	26,285	21	714
	Disposal of discontinued operations	49	(128,859)	(280,012)	-	-
	Impairment of investment in subsidiary	19	-	-	-	1,465,108
	Reversal of Impairment of investment in associates	20	-	-	-	(4,052)
	Impairment of investment in associates	20	-	-	952	-
	Impairment of investment in joint ventures	21	41,567	-	-	-
	Impairment of property, plant and equipment	15	170,628	424,150	2,825	357
	Impairment of bearer biological assets	15	-	25,779	-	25,779
	Impairment of intangible assets	18	-	232,835	-	13,532
	Impairment of goodwill	18	-	70,041	-	-
	Impairment of inventories	26 (iii)	34,409	175,442	66	35,973
	Impairment of financial assets at amortised cost	24	10,460	1,208,962	75,301	1,628,221
	Impairment of non-current assets held for sale	29	-	10,556	-	-
	Assets written off	15	28,858	691	24,765	-
	Movement in provision for retirement benefit obligations		(9,980)	(35,310)	(5,790)	(43,043)
	Dividend income	8	-	-	(130,000)	(71,500)
	Interest income	8	(8,049)	(9,457)	(138,206)	(171,191)
	Interest expense	10	545,610	629,245	397,151	451,664
	Share of results of associates		(212)	31,055	-	-
	Share of results of joint ventures	21	(862)	3,879	-	-
	(Profit)/loss on sale of land	11	(285,406)	44,652	(285,406)	51,443
	Morcellement expenses	11	72,224	22,108	72,224	22,108
	Profit on sale of investment in subsidiary	11	-	-	(114,030)	-
	Loss on sale of investment property	11	379,535	-	-	-
	Loss/(profit) on sale of investment in financial assets	11	-	2,470	-	-
	Profit on sale of property, plant and equipment	6	(9,484)	(3,788)	(682)	(349)
	Profit on disposal of land conversion rights	6	(11,950)	-	-	-
	Gain in fair value of consumable biological assets	27	(46,350)	(22,526)	(27,949)	(20,249)
	Cash generated from/(used in) operations before working capital changes		644,986	340,737	22,604	(177,090)
(b)	**Working capital requirements comprise:**					
	Inventories		(391,613)	(269,801)	(19,213)	(21,174)
	Trade receivables		187,000	62,339	(31,025)	28,144
	Receivable from financial assets at amortised costs		361,369	(395,156)	92,103	(655,490)
	Trade and other payables		227,418	985,339	(22,251)	81,275
	Payable to related parties		(62,626)	51,408	(24,407)	69,937
	Total working capital requirements		321,548	434,129	(4,793)	(497,308)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

39 NOTES TO THE STATEMENTS OF CASH FLOWS (cont'd)

(c) Reconciliation of liabilities arising from financing activities

	At January 1, 2021 Rs'000	Cash outflows Rs'000	Cash inflows Rs'000	Foreign exchange movement Rs'000	At December 31, 2021 Rs'000
THE GROUP					
Bank loans	**5,279,755**	**(1,752,125)**	**427,185**	**134,843**	**4,089,658**
Import loans	**76,106**	**-**	**514,754**	**-**	**590,860**
Lease liabilities	**345,628**	**(35,386)**	**58,633**	**-**	**368,875**

	At January 1, 2020 Rs'000	Cash outflows Rs'000	Cash inflows Rs'000	Foreign exchange movement Rs'000	At December 31, 2020 Rs'000
THE GROUP					
Bank loans	5,220,210	(2,046,971)	1,970,002	136,514	5,279,755
Import loans	11,140	-	64,966	-	76,106
Lease liabilities	345,143	(42,520)	23,694	19,311	345,628

	At January 1, 2021 Rs'000	Cash outflows Rs'000	Cash inflows Rs'000	Foreign exchange movement Rs'000	At December 31, 2021 Rs'000
THE COMPANY					
Bank loans	**1,403,111**	**(1,911,497)**	**1,278,600**	**17,773**	**787,987**
Lease liabilities	**213,696**	**(20,794)**	**1,189**	**13,603**	**207,694**

	At January 1, 2020 Rs'000	Cash outflows Rs'000	Cash inflows Rs'000	Foreign exchange movement Rs'000	At December 31, 2020 Rs'000
THE COMPANY					
Bank loans	666,350	(158,340)	865,000	30,102	1,403,111
Lease liabilities	215,425	(21,040)	1,189	18,122	213,696

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks and bank overdrafts. Cash and cash equivalents are represented by:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Cash in hand and at bank	**494,832**	563,031	**152,527**	275,794
Bank overdrafts (Note 31(b))	**(1,181,801)**	(1,291,001)	**(887,343)**	(1,012,775)
	(686,969)	(727,970)	**(734,816)**	(736,981)

40 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Capital expenditure approved by the Board:				
- not contracted	**47,482**	269,567	**-**	20,965
- contracted	**566,912**	298,084	**166,562**	-
	614,394	567,651	**166,562**	20,965

41 CONTINGENT LIABILITIES

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Bank and other guarantees				
Bank guarantee	**759,635**	804,285	**759,635**	593,640
Corporate guarantee	**2,560,856**	2,364,229	**2,183,206**	1,803,287
Government guarantee	**43,300**	42,000	**-**	-
Performance bond	**645**	441	**-**	-
Money guarantee	**945**	94,608	**-**	-
	3,365,381	3,305,563	**2,942,841**	2,396,927

At December 31, 2021, the Group and the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

The Group and Company provided financial guarantee, under the Sponsor Support Agreement (the "SSA") entered between the associate, Kwale International Sugar Company Ltd ("KISCOL") and its lenders June 7, 2016. The maximum exposure of the Group and the Company under the SSA was USD 4 M, out of which the Group and the Company has already paid in USD 3.2 M and USD 0.7 M was advanced as subordinated shareholder loan to KISCOL. Management have assessed that, as at December 31, 2021, except for USD 50,000 (MUR 2.1 M) which have been recognised in these financial statements, their obligations under the SSA has extinguished."

42 EVENTS AFTER THE REPORTING PERIOD

On 24 February 2022, Russian troops started invading Ukraine. The impacts of the war in Ukraine and related events are expected to have an impact on the global economy and are generally considered to be non-adjusting events. The impact does not affect the financial position as at 31 December 2021 and financial performance for the year ended 31 December 2021 of the Company.

In response to the Russian invasion, multiple jurisdictions have imposed economic sanctions on Russia and Belarus. In addition, a growing number of public and private companies have announced voluntary actions to curtail business activities with Russia and Belarus. Though the true impact of war is unclear, businesses worldwide can feel its financial effects. In addition to the impact of the war on entities that have operations in Russia, Ukraine, or neighboring countries (e.g., Belarus) or that conduct business with their counterparties, the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

These events have triggerred volatility and abnormally large changes in equity or debt security prices, commodity prices, foreign currency exchange rates, and interest rates after 31 December 2021. The Euro zone growth is expected to decline in the current year, with higher energy and commodity prices leading to increased inflation rates and in Sub-Saharan Africa, expect sharp rise in prices for natural resources and agricultural commodities. This will impact Government's subsidy programmes and fiscal budgets globally.

The degree to which the Group may be affected depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The global economic uncertainty is expected to adversely affect commodity prices, key assumptions and judgements made by management on forecasting cash flows, amongst others.

The Board has determined that it may be too early to assess the war's broad implications and will be monitoring the developments and the likely impacts on operations closely.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

43 HOLDING COMPANY

The holding company is Omnicane Holdings Limited, a Company incorporated in Mauritius.

44 DISPOSAL OF SUBSIDIARY

As referred to in note 17 and note 19, on June 7, 2021 the Group disposed of its interest in Mon Trésor Smart City Ltd.
The net assets of Mon Trésor Smart City Ltd at the date of disposal were as follows:

	Rs'000
Investment properties	**2,792,433**
Other receivables	**1,646**
Bank balances	**240**
Other payables	**(137)**
Net assets disposed of	**2,794,182**
Loss on disposal	**(379,535)**
Total consideration	**2,414,647**

There were no disposal of subsidiaries made in 2020.
The sales consideration was settled in cash, refer to note 19 for more details.
The impact of the subsidiary on the Group's results is disclosed in note 46.
The loss on disposal is included in other non-operating expense (refer to note 12).

45 DISCONTINUED OPERATIONS

On June 7, 2021, the Group entered into an agreement with the Mauritius Investment Corporation (MIC) to dispose of Mon Trésor Smart City Ltd, a wholly-owned subsidiary, which carried out the Group's property development operations. The disposal was completed in order to generate cash flows to repay its Rs 1.15 bn bonds which matured in June 2021, early repayment of its bonds of Rs 0.30 bn and Rs 0.44 bn maturing in 2022 and 2023 respectively and part repayment of a term loan amounting to Rs 0.36 bn. The disposal was completed on June 9, 2021, date on which control of Mon Trésor Smart City Ltd passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 45.

The results of the discontinued operations, which have been included in the profit for the year is as follows:

	Period ended June 7, 2021 Rs'000	Period ended December 31, 2020 Rs'000
Revenue	**-**	-
Expenses	**-**	(78,083)
Operating loss	**-**	(78,083)
Fair value loss on investment properties	**(132,890)**	(61,136)
Impairment of assets and allowance for credit losses	**-**	(137,338)
Finance costs	**-**	(3,455)
Other non-operating income	**4,031**	-
Loss before taxation	**(128,859)**	(280,012)
Income tax charge	**-**	-
Loss on discontinued operations	**(128,859)**	(280,012)

During the year, Mon Tresor Smart City Ltd contributed Rs nil (2020: Rs -76 M) to the Group's net operating cash flows.

46 RELATED PARTY TRANSACTIONS

(a) THE GROUP

	(Purchase)/sale of supplies and services		Interest (expense)/ income		Amount due to		Amount due from	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Holding company	**-**	-	**-**	-	**-**	883	**409**	-
Associated companies	**-**	-	**-**	-	**-**	-	**9,616**	403,314
Subsidiaries of holding company	**(158,037)**	(138,383)	**(8,910)**	(8,909)	**177,364**	180,238	**4,070**	2,392
Companies with common directors	**(18,339)**	(1,742)	**-**	-	**-**	58,869	**-**	7,831
Other related parties	**-**	-	**-**	-	**-**	-	**202,677**	167,004
	(176,376)	(140,125)	**(8,910)**	(8,909)	**177,364**	239,990	**216,772**	580,541

(b) THE COMPANY

	(Purchase)/sale of supplies, services & assets		Interest (expense)/ income		Dividend income		Amount due to		Amount due from	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Holding company	**-**	-	**-**	-	**-**	-	**-**	883	**409**	-
Subsidiary companies	**59,846**	(34,168)	**235,676**	107,072	**130,000**	71,500	**506,284**	629,871	**2,653,652**	2,881,941
Associated companies	**2,593**	12,772	**-**	-	**-**	-	**-**	-	**8,772**	402,155
Subsidiaries of holding company	**(26,031)**	(40,399)	**(36,028)**	(12,447)	**-**	-	**111,529**	106,937	**-**	-
Companies with common directors	**1,104**	1,402	**7,169**	5,757	**-**	-	**-**	-	**160,168**	152,988
	37,512	(60,393)	**206,817**	100,382	**130,000**	71,500	**617,813**	737,691	**2,822,592**	3,437,084

Terms and conditions of the above related party transactions are disclosed in their respective notes.

There has been no guarantees provided or received for any related party receivables or payables.

(c) **Key management personnel compensation**

	THE GROUP		THE COMPANY	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Short-term benefits	**66,208**	62,666	**2,505**	11,714
Post-employment benefits	**6,715**	4,796	**235**	312
	72,923	67,462	**2,740**	12,026

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED DECEMBER 31, 2021

47 SEGMENT INFORMATION

The Group is organised into the following main business segments:

	Sugar and ethanol		Energy		Hospitality		Property		Total	
	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000	2021 Rs'000	2020 Rs'000
Primary reporting format – business segments										
Segment revenue	**1,973,800**	1,657,074	**3,348,652**	2,755,272	**56,003**	57,454	**-**	-	**5,378,455**	4,469,800
Segment operating profit/(loss)	**228,336**	(152,059)	**208,158**	459,941	**(23,301)**	(33,772)	**(47,410)**	(52,421)	**365,783**	221,689
Impairment of assets & allowances for credit losses									**(258,275)**	(2,009,348)
Investment income									**8,049**	9,457
Other gains and losses									**(96,400)**	(250,786)
Finance costs									**(545,610)**	(629,245)
Other non-operating expense									**(166,353)**	(69,230)
Share of results from associates									**212**	(31,055)
Share of results from joint ventures									**862**	(3,879)
Loss before taxation									**(691,732)**	(2,762,397)
Taxation									**(49,664)**	(165,267)
Loss for the year from continuing operations									**(741,396)**	(2,927,664)
Loss for the year from discontinued operations									**(128,859)**	(280,012)
Loss for the year									**(870,255)**	(3,207,676)
Non-controlling interests									**32,557**	(151,435)
Loss attributable to owners of the parent									**(902,812)**	(3,056,241)

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

	Sugar and ethanol 2021	Sugar and ethanol 2020	Energy 2021	Energy 2020	Hospitality 2021	Hospitality 2020	Property 2021	Property 2020	Total 2021	Total 2020
Segment assets	**11,134,478**	12,393,735	**7,047,881**	6,515,753	**451,879**	463,146	**357,586**	2,939,497	**18,991,824**	22,312,131
Associates									**11,137**	10,925
Joint ventures									**1,449**	42,154
									19,004,410	22,365,210
Segment liabilities	**6,465,121**	9,569,385	**4,562,553**	4,024,134	**644,485**	601,468	**608,832**	770,184	**12,280,991**	14,965,171
Owners' interests									**5,893,915**	6,619,220
Non-controlling interests									**829,504**	780,819
									19,004,410	22,365,210
Investment income	**8,038**	6,687	**11**	2,770	**-**	-	**-**	-	**8,049**	9,457
Interest expense	**450,982**	491,379	**77,885**	116,619	**15,687**	21,247	**1,056**	3,456	**545,610**	632,701
Impairment of assets & allowance for credit losses	**13,351**	1,540,030	**170,657**	270,867	**-**	199,530	**74,267**	-	**258,275**	2,010,427
Capital expenditure – property, plant and equipment	**42,740**	59,506	**338,516**	183,656	**447**	13,746	**1,144**	29	**382,847**	256,937
Depreciation – property, plant and equipment	**221,116**	226,717	**245,437**	244,747	**17,162**	21,370	**522**	505	**484,237**	493,339

48 ENERGY TRANSITION

In the 2021-2022 budget, the Government of Mauritius announced its intention to phase out the use of coal by 2030 while at the same time increasing the share of renewables to 60%. This is being implemented to improve air quality as well as reduce greenhouse gas emissions to address risks related to climate change.

While the development of renewable energies alternatives like solar and wind need to be encouraged in Mauritius, it remains a fact that these are intermittent sources of electricity that can impact on the stability of the grid as they cannot contribute to base load generation. Hence, in our current local context, biomass remains the best substitute to coal-based power.

When considering renewable biomass substitutes to coal, it is important to consider the following:

(i) Availability of the resource – It is important that the biomass (e.g woodchips and pellets) is readily available to avoid disruptions in supply;

(ii) Cost of biomass – The cost of the raw material used as combustible can have a significant impact on the cost of production. Imported biomass can be very costly if sourced from distant countries while the risk of foreign exchange fluctuations can also have added financial impacts;

(iii) Technical compatibility – It is important to ensure that the existing boilers are compatible with the type of biomass considered; and

(iv) Remuneration for biomass electricity – Bagasse (sugarcane waste) is currently the leading source of renewable energy. So far bagasse is the only biomass that has an established remuneration scheme. It is crucial that the scheme be extended to other biomass sources while factoring the avoided environmental cost related to GHG emissions from fossil fuel combustion.

However, the Directors do not anticipate any impact in the short term as the Biomass Framework has not yet been finalised.

ANNEX 1: GRI CONTENT INDEX

102-55

GRI CONTENT INDEX SERVICE 2022

For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report.

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Omission Explanation
GRI 101: Foundation 2016						
General Disclosures						
GRI 102: General Disclosures 2016	**Organisational profile**					
	102-1	Name of the organisation	Cover Page			
	102-2	Activities, brands, products, and services	Our main activities include: Agriculture Milling – Raw House Milling – Refinery Thermal Energy operations Distillery operations Logistics Property Development Holiday Inn Mon Trésor Our main brands are: Omnicane, DinaCare & DinaLife Our main products are: Refined sugar Electricity Bioethanol Our main services are: Finance, Accounting and Treasury, Internal Audit, Sustainability, Procurement, Project Development and Management, Corporate Secretarial, Human Resources, Marketing			
	102-3	Location of headquarters	Page 15			
	102-4	Location of operations	Page 15			
	102-5	Ownership and legal form	Page 103			
	102-6	Markets served	Page 15			
	102-7	Scale of the organisation	Page 12			

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Omission Explanation
	102-8	Information on employees and other workers	Page 81			
	102-9	Supply chain	Page 80			
	102-10	Significant changes to the organisation and its supply chain	Page 6			
	102-11	Precautionary Principle or approach	Pages 86, 102			
	102-12	External initiatives	Page 79			
	102-13	Membership of associations	Omnicane is member of several industry associations (e.g. Business Mauritius) which further helps the company to engage with its stakeholders at policy level.			
	Strategy					
	102-14	Statement from senior decision-maker	Pages 32-34			
	102-15	Key impacts, risks and opportunities	Page 86			
	Ethics and integrity					
	102-16	Values, principles, standards and norms of behaviour	Page 98			
	Governance					
	102-18	Governance structure	Pages 91-94			
	102-19	Delegating authority	Page 92			
	102-20	Executive-level responsibility for economic, environmental and social topics	Page 92			
	102-21	Consulting stakeholders on economic, environmental and social topics	Page 23			
	102-22	Composition of the highest governance body and its committees	Pages 91-94			
	102-23	Chair of the highest governance body	Page 92			
	102-24	Nominating and selecting the highest governance body	Page 93			
	102-25	Conflicts of interest	Page 98			
	102-26	Role of highest governance body in setting purpose, values, and strategy	Page 92			
	102-27	Collective knowledge of highest governance body	Page 92			
	102-28	Evaluating the highest governance body's performance	Page 98			
	102-29	Identifying and managing economic, environmental, and social impacts	Pages 87, 102			
	102-30	Effectiveness of risk management processes	Page 86			
	102-31	Review of economic, environmental and social topics	Page 87			
	102-32	Highest governance body's role in sustainability reporting	Page 91			
	102-33	Communicating critical concerns	Page 23			
	102-35	Remuneration policies	Page 99			
	102-36	Process for determining remuneration	Page 99			

ANNEX 1: GRI CONTENT INDEX (CONT'D)

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Explanation
	Stakeholder engagement					
	102-40	List of stakeholder groups	Page 23			
	102-41	Collective bargaining agreements	Page 82			
	102-42	Identifying and selecting stakeholders	Page 23			
	102-43	Approach to stakeholder engagement	Page 23			
	102-44	Key topics and concerns raised	Page 23			
	Reporting practice					
	102-45	Entities included in the consolidated financial statements	Omnicane Limited Omnicane Management & Consultancy Limited Omnicane Milling Operations Limited Omnicane Thermal Energy Operations Limited Holiday Inn Mauritius Mon Trésor Omnicane Logistics Operations Limited Omnicane Ethanol Operations Limited			
	102-46	Defining report content and topic boundaries	Page 6			
	102-47	List of material topics	Page 6			
	102-48	Restatements of information	No restatements of information			
	102-49	Changes in reporting	Page 6			
	102-50	Reporting period	Page 6			
	102-51	Date of most recent report	October 2021			
	102-52	Reporting cycle	Annually			
	102-53	Contact point for questions regarding the report	Chitra Beekoo-Koonja E: ckoonja@omnicane.com			
	102-54	Claims of reporting in accordance with the GRI Standards	Page 6			
	102-55	GRI content index	Pages 184-194			
	102-56	External assurance	Page 6			

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Explanation
Material Topics						
GRI 200 Economic Standard Series						
Economic Performance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 62			
	103-2	The management approach and its components	Page 62			
	103-3	Evaluation of the management approach	Page 62			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 63			
	201-2	Financial implications and other risks and opportunities due to climate change	Page 87			
	201-4	Financial assistance received from government	Page 145			
Market Presence						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 81			
	103-2	The management approach and its components	Page 81			
	103-3	Evaluation of the management approach	Page 81			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 81			
	202-2	Proportion of Senior Management hired from the local community	Page 15			
Indirect Economic Impacts						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 67			
	103-2	The management approach and its components	Page 67			
	103-3	Evaluation of the management approach	Page 67			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 67			
	203-2	Significant indirect economic impacts	Page 67			
Procurement Practices						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 80			
	103-2	The management approach and its components	Page 80			
	103-3	Evaluation of the management approach	Page 80			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 80			

ANNEX 1: GRI CONTENT INDEX (CONT'D)

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Omission Explanation
Anti-corruption						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 98			
	103-2	The management approach and its components	Page 98			
	103-3	Evaluation of the management approach	Page 98			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Page 98			
	205-3	Confirmed incidents of corruption and actions taken	Page 98			
Anti-competitive Behavior						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 98			
	103-2	The management approach and its components	Page 98			
	103-3	Evaluation of the management approach	Page 98			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 98			
GRI 300 Environmental Standards Series						
Materials						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 70			
	103-2	The management approach and its components	Page 70			
	103-3	Evaluation of the management approach	Page 70			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 70			
	301-2	Recycled input materials used	Page 77			
Energy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 73			
	103-2	The management approach and its components	Page 73			
	103-3	Evaluation of the management approach	Page 73			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 73			
	302-3	Energy intensity	Page 73			
	302-4	Reduction of energy consumption	Page 73			

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Part Omitted	Omission Reason	Omission Explanation
Water						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 74			
	103-2	The management approach and its components	Page 74			
	103-3	Evaluation of the management approach	Page 74			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Page 74			
	303-2	Management of water discharge-related impacts	Page 74			
	303-3	Water withdrawal	Page 74			
	303-4	Water discharge	Page 76			
	303-5	Water consumption	Page 74			
Biodiversity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 75			
	103-2	The management approach and its components	Page 75			
	103-3	Evaluation of the management approach	Page 75			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 75			
Emissions						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 75			
	103-2	The management approach and its components	Page 75			
	103-3	Evaluation of the management approach	Page 75			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 75			
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 75			
Waste						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 76			
	103-2	The management approach and its components	Page 76			
	103-3	Evaluation of the management approach	Page 76			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 76			
	306-2	Management of significant waste-related impacts	Page 76			
	306-3	Waste generated	Page 76			
	306-4	Waste diverted from disposal	Page 76			
	306-5	Waste directed to disposal	Page 76			

ANNEX 1: GRI CONTENT INDEX (CONT'D)

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Omission		
				Part Omitted	Reason	Explanation
Environmental Compliance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 77			
	103-2	The management approach and its components	Page 77			
	103-3	Evaluation of the management approach	Page 77			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Pages 77, 98			
Supplier Environmental Assessment						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 80			
	103-2	The management approach and its components	Page 80			
	103-3	Evaluation of the management approach	Page 80			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 80			
GRI 400 Social Standards Series						
Employment						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 81			
	103-2	The management approach and its components	Page 81			
	103-3	Evaluation of the management approach	Page 81			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 81			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 81			
Labor/Management Relations						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Page 82			
Occupational Health and Safety						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Omission		
				Part Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Page 82			
	403-2	Hazard identification, risk assessment and incident investigation	Page 82			
	403-3	Occupational health and safety	Page 82			
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 83			
	403-5	Worker training on occupational health and safety	Page 82			
	403-6	Promotion of worker health	Page 82			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 82			
	403-9	Work-related injuries	Page 83			
Training and Education						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 82			
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 82			
Diversity and Equal Opportunity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 82, 92			
Non-discrimination						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 82			
Freedom of Association and Collective Bargaining						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			

ANNEX 1: GRI CONTENT INDEX (CONT'D)

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Omission: Part Omitted	Omission: Reason	Omission: Explanation
	103-3	Evaluation of the management approach	Page 82			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 82			
Child Labor						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Page 82			
Forced or Compulsory Labor						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 82			
	103-2	The management approach and its components	Page 82			
	103-3	Evaluation of the management approach	Page 82			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 82			
Local Communities						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 78			
	103-2	The management approach and its components	Page 78			
	103-3	Evaluation of the management approach	Page 78			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	Page 78			
Supplier Social Assessment						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 80			
	103-2	The management approach and its components	Page 80			
	103-3	Evaluation of the management approach	Page 80			

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Omission: Part Omitted	Omission: Reason	Omission: Explanation
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Page 80			
Public Policy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Mauritius has several industry associations whereby several sectors/companies are invited to give their respective opinions			
	103-2	The management approach and its components	Omnicane is a member of several national industry associations and takes part in public policy decisions from time to time			
	103-3	Evaluation of the management approach	The Company reviews its membership in these associations from time to time			
GRI 415: Public Policy 2016	415-1	Political contributions	No political contributions were made during the year			
Customer Health and Safety						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 23			
	103-2	The management approach and its components	Page 23			
	103-3	Evaluation of the management approach	Page 23			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 23			
Marketing and Labelling						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Omnicane recognises that delivering safe products is paramount for its clients			
	103-2	The management approach and its components	As such, we subscribe to several food safety standards and our product certifications, e.g. ISO 22000 and BRC are communicated to our respective clients			
	103-3	Evaluation of the management approach	We have regular audits to review compliance with these standards			
GRI 417: Marketing and Labelling 2016	417-3	Incidents of non-compliance concerning marketing communications	No incidents on non-compliance concerning marketing communications			
Customer Privacy						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 23			

ANNEX 1: GRI CONTENT INDEX (CONT'D)

102-55

GRI Standard	Disclosure		Page number(s) and/or URL(s) and/or Direct Answers	Omission: Part Omitted	Omission: Reason	Omission: Explanation
	103-2	The management approach and its components	Page 23			
	103-3	Evaluation of the management approach	Page 23			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 23			
Socioeconomic Compliance						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Page 98			
	103-2	The management approach and its components	Page 98			
	103-3	Evaluation of the management approach	Page 98			
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Page 98			

ANNEX 2: ADMINISTRATION

Managers & Secretaries
Omnicane Management & Consultancy Limited

Registered Office Address/Postal Address
Omnicane House
Mon Trésor Business Gateway
New Airport Access Road
Plaine Magnien 51521

Telephone
(230) 660 0600

Telefax
(230) 637 1913

E-mail
info@omnicane.com

Share Registry Office
DTOS Registry Services Ltd
3rd Floor, Eagle House,
15A Wall Street,
Ebene

Auditors
Deloitte

Legal Advisers
ENS Africa
Benoit Chambers
Juristconsult Chambers
De Spéville – Desveaux Chambers

Bankers
Afrasia Bank Limited
ABC Banking Corporation Ltd
Bank One Limited
ABSA Bank (Mauritius) Ltd
Bank of Baroda
Habib Bank Ltd
MauBank Ltd
Standard Bank (Mauritius) Ltd
SBI Mauritius Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd
European Investment Bank
HSBC Bank (Mauritius) Limited

Corporate Advisors
Ernst & Young
PwC

Notary
Etude Maigrot

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