



Annual Report

Financial Year 2025



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MISSION

« Pionnier de l'industrie laitière mauricienne, nous développons avec passion et professionnalisme la consommation de nos produits et contribuons au bien être des parties prenantes sur nos marchés. »

VISION

« Maurilait, entreprise de référence du secteur laitier régional. »

GENERAL MANAGER OUTLOOK

As we approach the end of another pivotal year at Maurilait and prepare to enter the 2025–2026 financial year, it is a timely moment to reflect on what has been achieved, assess the lessons learned, and focus on the opportunities ahead.

In 2024–2025, we reached a new record in sales volume, thanks to the strong performance of Yoplait products. Candia and J sales struggled to reach the budgeted values due to technical issues that affected supply during a period of time. One of the key developments this year was the installation of a new filling line for carton beverage packaging. This investment provides an increased production capacity, while improving supply reliability through cutting-edge technology and creating opportunities for more sustainable solutions. The new production line will play an important role in growing the business through sustainable product development in the years ahead.

The economic context this year, supported by low milk prices and higher domestic consumption, helped in achieving record-breaking volumes. However, challenges such as limited availability of foreign currency and rising prices of sugar and cocoa were a concern. Despite these challenges, the company managed to maintain the margins through careful pricing, cost control measures, and continuous improvements in efficiency. Revenue increased by 10% compared to last year and by 5% compared to the budget.

Our people are our most valuable asset and at the core of our progress. This year saw the company reinforce its long-term commitment to people, innovation and sustainability. Through strong expertise, collaboration and support across teams, The 'Maurilaitière' and 'Maurilaitier' were able to overcome numerous challenges during the year. One of the highlights was the partnership with Plastic Odyssey and local manufacturers, where Maurilait led the construction of a mobile pre-treatment facility for an NGO in record time. This will help this NGO to set the basis of post-consumer plastic packaging collection and pre-treatment, for recycling in Mauritius.

Looking ahead, we reaffirm our commitment to reducing our environmental impact through our investments to further integrate eco-design into our products and packaging, while continuously working alongside local authorities and partners to overcome plastic pollution in Mauritius. Our investment in state-of-the-art technology, together with supporting local NGOs in developing the infrastructure needed for a financially sustainable local circular economy, will play a key role in strengthening the long-term competitiveness and resilience of dairy manufacturing in Mauritius.

Olivier Zuel

General Manager

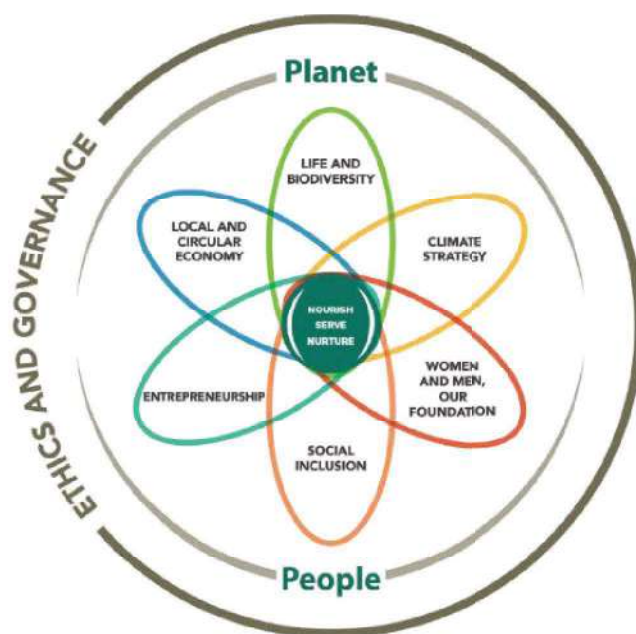
SUSTAINABILITY STRATEGY

Sustainability Strategy

MPL's sustainability strategy is largely inspired by and consonant with the Eclasia Group sustainability strategy of which it forms part. A profound sense of societal responsibility has been embedded in the Eclasia group companies DNA since their inception, based on an inclusive model in Mauritius and in other countries.

Eclasia Group's Sustainability Strategy and the Eclasia Way framework

Eclasia Group sustainability strategy has been crystallized around six strategic areas. The visual presentation below underlines their interconnexion, their interdependence and their alignment towards the three pillars of activities of the Eclasia group: Nourish, Serve, and Nurture. Maurilait Production Limitée is part of the Nourish pillar.

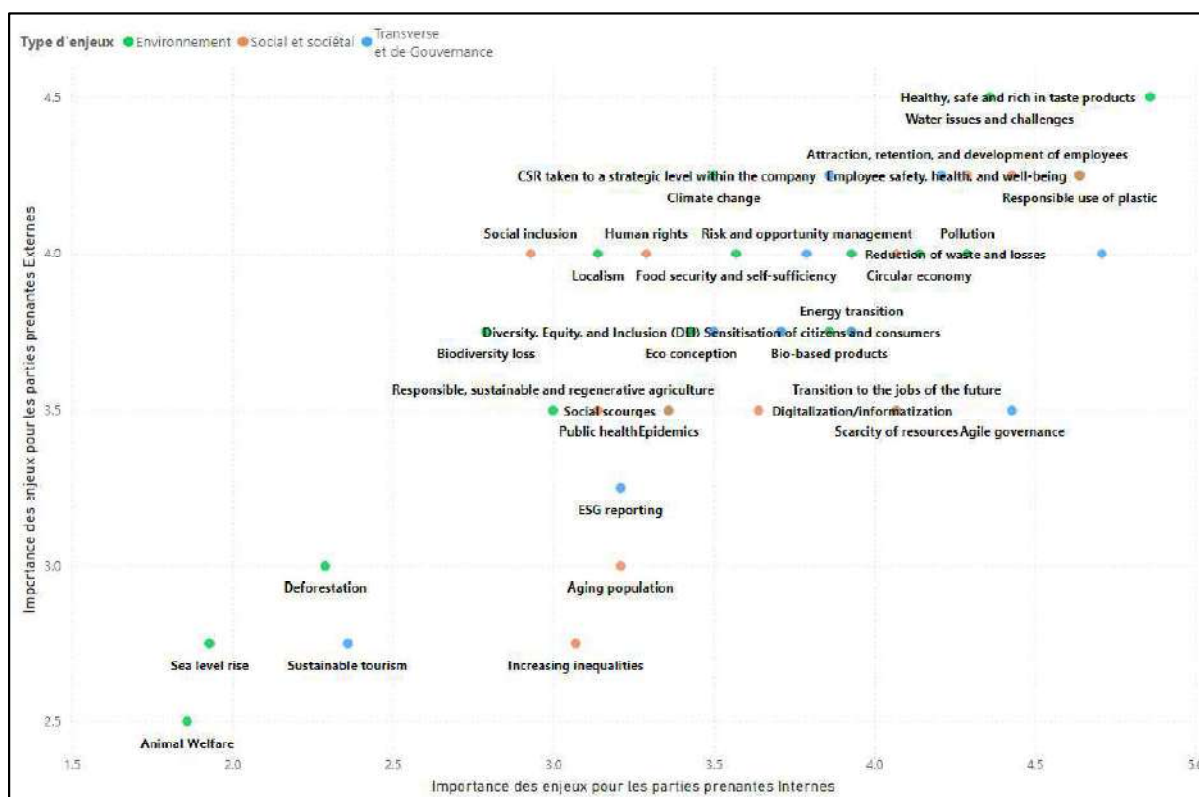


Ever since 2017, Eclasia Way has been Eclasia's management system that is not solely financial. This framework is based on a Core which describes the culture of the group, its HR best practices and 4 pillars, namely: **People, Planet, Process and Profit** which are performance and impact oriented. The Core and each of these pillars are crucial to the life of the company and at the basis of the structure of this report.

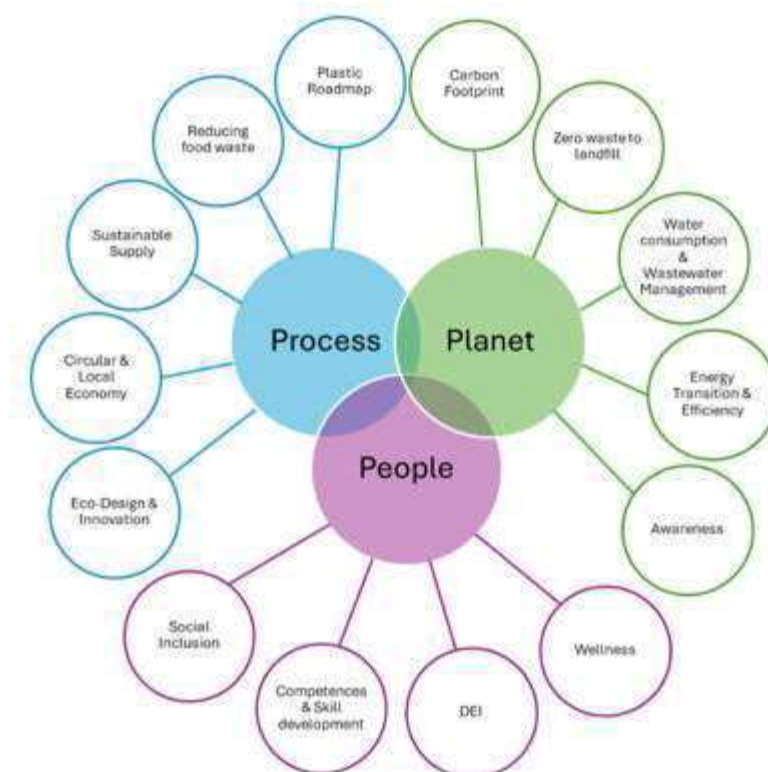
Company sustainability strategy

As a manufacturing company setting the pace of dairy production in Mauritius, the company's sustainable strategy targets responsible production **Process** to the benefit of our **People** and our **Planet**. Ultimately benefiting our Mauritian nation.

To better understand our stakeholders' expectations Maurilait launched a Materiality Matrix assessment during the year, results of which are given below. The materiality matrix is a strategic tool which allow the company to prioritize its actions and focus on the most material issues, while aligning to business and stakeholders' expectations. These inspired the ESG (Environmental, Societal, Governance) priorities for the company:



Based on this matrix, Maurilait was able to define its sustainable strategy:



Through our **Process** strategy, we aim at producing high quality products using sustainable manufacturing practices to reduce our environmental impact.



Our **Planet** strategy aims at reducing our carbon footprint and impact on biodiversity. Through eco-design and sustainable purchasing practices, we source and support local suppliers, while promoting foreign suppliers who embrace our sustainable ideals. We invest in industrial improvements and strategic partnerships to reduce our plastic packaging impact, while promoting circular economy.



Our **People** strategy focuses on our previous, current and future employees, our customers and the Mauritian civil society. We provide to our employees the proper structure to hone their skills, while promoting equity, in line with our core values. By providing them with the resources they require, we aim to unleash the potential of all our employees and give them the opportunity to shine both in the company and in the community.



Several committees exist within the company and are held at regular interval to monitor the different action plan towards the goals.



The **Plastic Steering committee** meets twice a month to overview global innovations in the sector, changing norms and regulations, partnerships with stakeholders at local and international level. This committee oversees the Plastic Roadmap of Maurilait and is the starting point of major investments and innovations in our industrial process.

Our **CSR Committee** establishes the main directions and validates all actions and projects related to social inclusion, while our **Employee and Salary Committee** focuses on establishing a direct communication line between our employees and the General Manager for important topics.

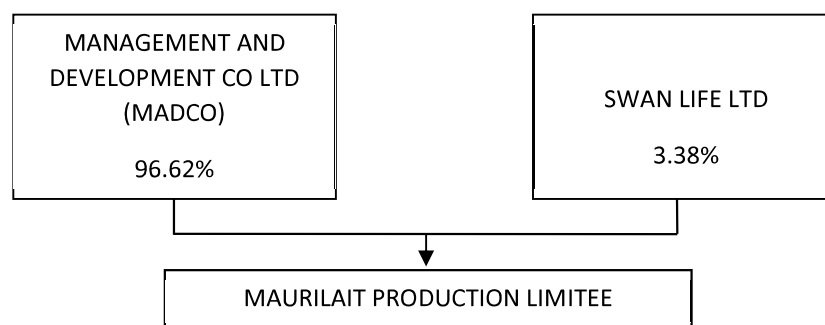


OUR GOVERNANCE

Shareholding, Group and Organisational structures

- The Shareholding structure**

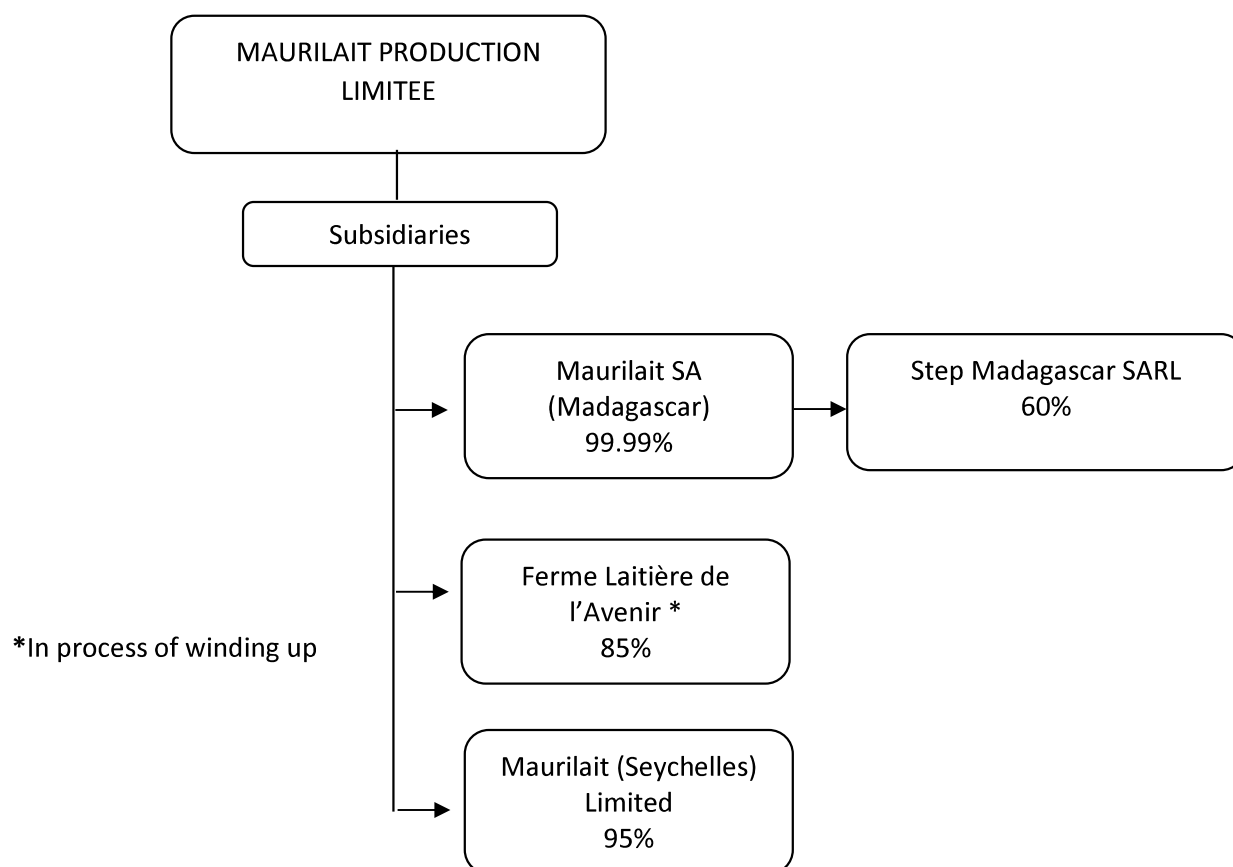
The shareholding structure of Maurilait Production Limitée (“the Company” or “Maurilait”) at June 30, 2025, was as follows:



The Company’s ultimate beneficial owner at June 30, 2025 is Mr. Pierre Elysée Michel Doger de Spéville.

- The Group structure**

The structure of Maurilait Group at June 30, 2025 was as follows:

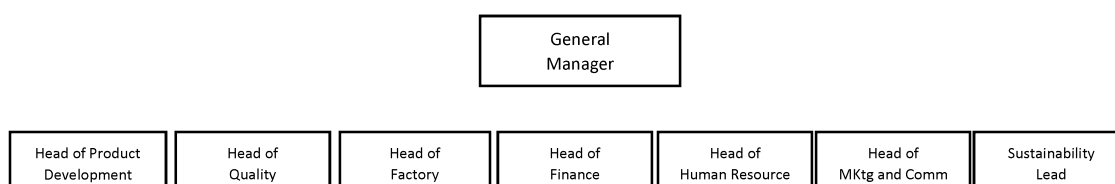


A status on the operations of Maurilait SA (Madagascar) is given at the Board Meetings of Maurilait Production Limitée. Any decisions regarding that subsidiary are taken at the level of the main Board.

Moreover, any issue identified by the internal auditor at Maurilait SA (Madagascar) is reviewed and addressed at the level of Maurilait's Audit and Risk Committee.

- **The Organisational structure**

The organisational structure of Maurilait at June 30, 2025 is as follows:



The profiles of the senior management of Maurilait at June 30, 2025 were as follows:

<p>Olivier Zuël General Manager</p> 	<p>Holder of a Master's Degree in Physics, and a 'Diplôme d'Etudes Supérieures Spécialisées' in Food Production Engineering, both from University of Reunion. Mr. Zuël joined Maurilait in 2004 and held several positions within the Production department. He was appointed Factory Manager of Maurilait in 2022, and then General Manager in 2023.</p>
<p>Frédéric Basset Head of Finance</p> 	<p>Is a Fellow Certified Accountant (FCCA) and holds an MBA from IAE Paris Dauphine. Has worked in the textile-manufacturing sector and seafood hub before joining the Eclasia Group in 2008 and joined Maurilait in 2019.</p>

<p>Ella Ng Cheong Tin Head of Product Development</p> 	<p>Holder of a “diplôme d’ingénieur des industries alimentaire” from ENSA, France. Mrs. Ng Cheong Tin joined Maurilait Production Limitée in 1999 as Quality Assurance Manager. She was appointed as Product and Development Manager in 2001 and promoted to Product Department Manager in 2010.</p>
<p>Christian Maudave Head of Human Resource</p> 	<p>Holder of a “Cycle de Philosophie” from Séminaire St Jean (Faculté Catholique d’Angers). Holds a BA(Hons) History and Anthropology and a MBA from the University of Mauritius. Mr. Maudave joined Eclosia Group in 2013 and was appointed Human Resource Manager of Maurilait in 2014.</p>
<p>Benjamin Pouilles Head of Factory</p> 	<p>Holder of a « Diplôme d’ingénieur en science des matériaux » from Polytech Sorbonne. After 8 years working as production manager in manufacturing industry in Mauritius, Mr. Pouilles joined Maurilait in 2021 as Maintenance Manager and was appointed Head of Factory in July 2024.</p>

The above-mentioned managers and other senior officers do not hold shares in the Company.

A formal succession planning process is in place through the “Talent Management” program, which has been adopted across the Eclasia Group.

Under this program, an “Organisational and People Review” is carried out yearly whereby management discusses the development of its key talents, establishes succession plans for key positions and sets up competency development programs for the identified individuals.

Constitution

The Constitution of the Company is in line with the Companies Act 2001.

Shareholders have a pre-emptive right on all new shares issued by the Company up to the extent of their respective holding in the shares of the Company, except if the proposed issue of shares is approved by the shareholders of the Company.

Otherwise, transfer of shares is not restricted to the existing shareholders.

Governance structure

- **Board Governance**

Maurilait Production Limitée is a private Company and is classified as a Public Interest Entity in accordance with the requirements of the Code of Corporate Governance.

The Board of the Company assumes overall responsibility for leading and controlling the organization, ensuring compliance with all legal and regulatory requirements. In addition, they ensure that the Company adheres to the principles of good governance.

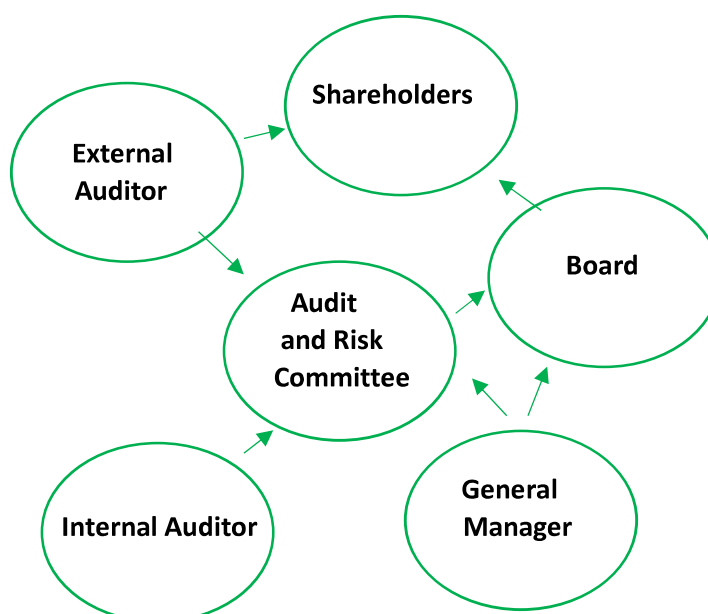
In that respect, a Board Charter and a Directors’ Code of Ethics have been adopted by the Board to ensure that the values of the Company also form an integral part of its governance. Both the Board Charter and the Directors’ Code of Ethics are available for consultation on the Company’s website and are reviewed as and when required and, in any case, at least once every five years.

The Company’s Corporate Governance Report is also available for consultation on its website.

- **Statement of accountabilities**

The Chairman of the Audit and Risk Committee reports to the Board on the Committee’s deliberations, and wherever necessary, makes appropriate recommendations to the Board.

The General Manager, who attends board meetings, report on the operations and management of the Company to the Board.



Moreover, the accountabilities of the Chairperson, Company Secretary and the Board Committees are clearly defined in their respective Position Statement and Terms of Reference. These documents will be made available on the Company's website.

- **Statement of Remuneration Philosophy**

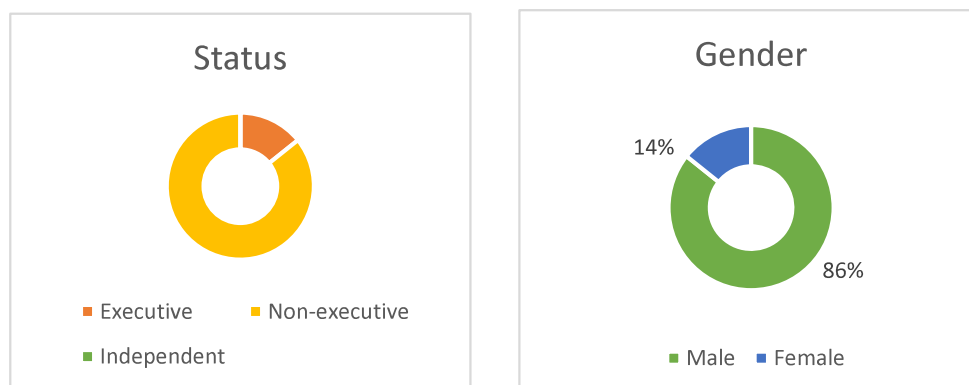
A formal Statement of Remuneration philosophy has been adopted by the Board of the Company. The philosophy aims to offer a competitive remuneration package that will attract, retain and motivate directors and employees of the highest calibre, while also recognizing value-added performance and taking into account the Company's financial position.

In that respect, remuneration for each job category within the Company is benchmarked and aligned with prevailing market rates, based on the annual "Hay Group National Survey".

Moreover, directors' fees are benchmarked against market norms and are reviewed by the Board.

Board structure

The Company is headed by a unitary Board consisting of six members at June 30, 2025, with its composition being as follows:



The Board, as the governing body of the Company, fully understands its role, responsibilities, and authority in defining the Company's strategy and monitoring its performance.

The Members of the Board are satisfied that:

- (i) the Board is of an appropriate size, taking into account the organisation's turnover, the complexity of its operations and its sector of activity;
- (ii) the Board is well balanced regarding the skills, experience and knowledge of the organisation shown by its members;
- (iii) non-executive directors are independent from management and discussions at Board level are at a high level and conducted with much independence;
- (iv) although there is only one executive director on the Board, the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the National Code of Corporate Governance.

The roles of the Chairperson and the General Manager are separate. The Chairperson, Mr Cédric de Spéville, is a non-executive, non-independent director. The Chairperson and the General Manager have regular meetings to discuss matters of the Company and the Board is satisfied that the Chairperson commits sufficient time to carry out his duties and responsibilities effectively.

The role and duties of the Chairperson are set out in a Position Statement which has been adopted by the Board of the Company.

Every three years, a strategic review is carried out by Management. The strategic plan developed from this review is then submitted to the Board for discussion. Furthermore, the Board reviews and approves an annual budget, which includes clearly defined objectives and Key Performance Indicators (KPIs) across key functional areas such as processes, human resources, finance, marketing, and sustainability. During subsequent board meetings, the performance of the company is evaluated against these objectives and corrective decisions are taken as appropriate.

Board evaluation

The Board recognizes the significance of a board evaluation and resolved that a board evaluation exercise be carried out on a two-yearly basis.

The board evaluation exercise is carried out internally by way of a questionnaire and its results are reviewed by the Board to address the issues raised.

The next board evaluation exercise will be carried out in 2026/2027.

The directors

- Directors' duties**

Upon appointment, each director is provided with an induction pack that includes the relevant legislation and regulatory requirements relating to their legal duties and responsibilities as a member of the Board of the Company.

In addition, a board charter, setting out all the directors' duties and responsibilities with respect to the board governance, has been adopted by the Board of the Company and is available for consultation on the Company's website.

- The Directors' profiles**

Below were the profiles of the directors of the company at June 30, 2025:

<p>Cédric de Spéville (Chairperson) Non-executive director Resident in Mauritius</p> 	<p>Born in 1979, married and father of four children, Cédric de Spéville holds a Master's Degree in Economics from Sorbonne University, an MSc in Accounting and Finance from the London School of Economics, and an MBA from Columbia Business School.</p> <p>He joined the Eclasia Group in 2003 and was appointed Chief Executive Officer in January 2013.</p> <p>From 2011 to 2013, he served as President of the Mauritius Chamber of Commerce and Industry, and from 2017 to 2019, as President of Business Mauritius. He was also Director of the economic Development Board of Mauritius from December 2017 to January 2020.</p> <p>He was appointed Chairperson of the Board on 31 May 2020.</p> <p>Directorships in listed companies: Oceanarium (Mauritius) Ltd, Livestock Feed Limited, Les Moulins de la Concorde Ltée and Tropical Paradise Co. Ltd.</p>
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<p>Michel de Spéville, C.B.E. Non-executive director Resident in Mauritius</p> 	<p>Founder President of the Eclasia Group. Founder and Senator of the “Jeune Chambre Economique de l’Ile Maurice”. Elevated to the rank of “Commander of the Order of the British Empire” (C.B.E). Honorary Citizen of Moka-Flacq District of Mauritius. “Honorary Fellow Agribusiness”, University of Mauritius. Elevated to the rank of “Chevalier de l’Ordre de Mérite de Madagascar”. Elevated to the rank of “Chevalier de la Légion d’Honneur de France”. Chairman and Member of the Board of various companies of the Eclasia Group. A former President of the Mauritius Chamber of Commerce & Industry and a former President of “L’Institut de la Francophonie pour l’Entrepreneuriat” (IFE).</p> <p>Directorship in listed companies: None</p>
<p>Gérard Boullé Non-executive director Resident in Mauritius</p> 	<p>Gérard Boullé is holder of a “Maîtrise de Gestion” from the University of Paris IX Dauphine in France and is presently the Chief Operating Officer of the Eclasia Group of Companies. Mr Boullé is a former President of the Association of Mauritian Manufacturers and is also Member of the Board of several companies of the Eclasia Group.</p> <p>He was appointed on the Board of the Company on 10 February 2022.</p> <p>Directorships in listed companies: Livestock Feed Limited, Les Moulins de la Concorde Ltée and Oceanarium (Mauritius) Ltd.</p>

<p>Jean-Jacques Boullé Non-executive director Resident in Mauritius</p> 	<p>Jean-Jacques Boullé joined the Eclasia Group in 1977. He was appointed as General Manager of Maurilait Production Limitée in 1984, a post which he held until December 2016.</p> <p>He was appointed on the Board of the Company on 12 February 1992.</p> <p>Directorship in listed companies: None</p>
<p>Gilbert Espitalier-Noël Non-executive director Resident in Mauritius</p> 	<p>Gilbert Espitalier-Noël is a holder of an MBA from INSEAD Fontainebleau, France. He was the CEO of New Mauritius Hotels Ltd until 30 June 2023. He is now the CEO of the ENL Group.</p> <p>He was appointed to the Board of Maurilait Production Limitée on 11 May 1993.</p> <p>Directorship in listed companies: Livestock Feed Limited, ER Group Limited, New Mauritius Hotels Ltd and Rogers & Co Ltd.</p>
<p>Jean Noël Humbert Non-executive director Resident in Mauritius</p> 	<p>Jean Noël Humbert is the holder of an Honours Degree in Agriculture and a Diploma in Agriculture & Sugar Technology. He has a vast experience in the field of agro-industry, having managed different companies in the sector and also resulting from his previous capacity as General Secretary of the Mauritius Chamber of Agriculture (1997-2005) and Chief Executive Officer of the Mauritius Sugar Syndicate (2005-2015). He has also acted as President of the National Productivity and Competitiveness Council and Chairperson of ENL Limited for a number of years. He is currently Chairperson of the Board of Directors of New Maurifoods Ltd. Mr. Humbert was appointed to the Board of Maurilait Production Limitée on September 16, 2009.</p> <p>Directorship in listed companies: Oceanarium (Mauritius) Ltd and Livestock Feed Limited.</p>

<p>Jacqueline Sauzier Independent Non-executive director Resident in Mauritius</p> 	<p>Jacqueline Sauzier has a scientific background in aquaculture and marine biology. Formerly Manager of the Mauritius Deer Farming Cooperative Society for more than 20 years, she has also invested her time in major national and regional projects in relation to the protection of the marine environment and biodiversity. She has been General Secretary of the Mauritius Chamber of Agriculture since April 2012 and is the board director of several parastatal bodies. Jacqueline was honoured with the distinction of Chevalier de l'Ordre du Mérite Agricole by the French Government in July 2018.</p> <p>She was appointed on the Board of the Company on 28 May 2019.</p> <p>Directorship in listed companies: Livestock Feed Limited</p>
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- Common Directors**

The table below indicates the common directorships to Maurilait and its holding structure at June 30, 2025:

NO	DIRECTORS	MPL	MADCO	SLL
1	Cédric de Spéville	√	√	-
2	Michel de Spéville , C.B.E.*	√	√	-
3	Jean-Jacques Boullé	√	-	-
4	Jacqueline Sauzier	√	-	-
5	Gilbert Espitalier-Noël	√	√	-
6	Gérard Boullé	√	√	-
7	Jean Noël Humbert	√	-	-

*resigned on 16 January 2025

MPL	Maurilait Production Limitée
MADCO	Management and Development Company Limited
SLL	Swan Life Ltd

- Directors' Interests**

At June 30, 2025, the composition of the Board and the interests of the directors in the company were as follows:

No	Directors	Executive	Non-Executive	Independent	Non-Independent	Gender	Direct Shareholding in Maurilait Production Limitée	Indirect Shareholding in Maurilait Production Limitée	Directorships in other Listed Companies
							Ord %	Ord %	
1	Michel de Spéville , C.B.E.	-	✓	-	✓	M	-	56.72	-
2	Cédric de Spéville	-	✓	-	✓	M	-	0.72	4
3	Jean-Jacques Boullé	-	✓	-	✓	M	-	-	-
4	Gérard Boullé	-	✓	-	✓	M	-	-	3
5	Gilbert Espitalier-Noël	-	✓	-	✓	M	-	2.07	4
6	Jean Noël Humbert	-	✓	✓	-	M	-	-	2
7	Jacqueline Sauzier	-	✓	✓	-	F	-	-	1

A yearly review of the board composition is done in March each year to (i) ascertain the independent status of respective directors and (ii) to identify whether the board composition needs to be reviewed following resignation of directors or cessation to hold office due to retirement, rotation or other reasons, during the year under review.

- Directors' dealings in securities of the company.**

None of the directors of the Company holds shares directly in the Company.

- Directors' attendance to board and committee meetings**

The attendance of the Directors and Committee Members for the financial year ended June 30, 2025, were as follows:

	Directors	Board Attendance	Audit & Risk Committee Attendance
		3 Meetings	2 Meetings
1	Cédric de Spéville	3/3	-
2	Michel de Spéville , C.B.E.*	0/2	-
3	Jean-Jacques Boullé	3/3	1/2
4	Gilbert Espitalier-Noël	2/3	-
5	Gérard Boullé	3/3	-
6	Jean Noël Humbert	3/3	2/2
7	Jacqueline Sauzier	2/3	-
	Co-opted Member		
1	Sarah Buhler	-	2/2

*resigned on 16 January 2025

- Directors' Remuneration**

The fees for Members of the Board and Audit and Risk Committee at June 30, 2025 were as follows:

Type of meeting	Chairperson		Directors	
	Annual Retainer	Meeting Fee	Annual Retainer	Meeting Fee
	Rs	Rs	Rs	Rs
Board meeting	140,000	15,000	90,000	15,000
Audit and Risk	70,000	10,000	40,000	10,000

The fees paid to the directors of the Company for the financial year ended June 30, 2025 were as follows:

No	Directors	Board Fees	Audit & Risk Committee Fees	Total
		Rs	Rs	
1	Cédric de Spéville	185 000	-	185 000
2	Michel de Spéville , C.B.E.*	52 500	-	52 500
3	Jean-Jacques Boullé	135 000	60 000	195 000
4	Gilbert Espitalier-Noël	120 000	-	120 000
5	Gérard Boullé	135 000	-	135 000
6	Jean Noël Humbert	135 000	90 000	225 000
7	Jacqueline Sauzier	120 000	-	120 000
	Co-opted			
1	Sarah Bulher		60 000	60 000
	TOTAL	882,500	210,000	1,092,500

*up to 16 January 2025

The fees attributable to non-executive, non-independent directors who are employed by companies forming part of the Eclasia Group are paid to these respective companies.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with the performance of the Company.

- **Directors' appointment procedures**

As per the Company's constitution, every year, one third of the directors longest in office retire by rotation and may offer themselves for re-election. These directors, if re-elected, have a three-year term after which they may once again stand for re-election.

Moreover, according to the Company's constitution, in cases of casual vacancies, the Board can appoint someone to serve as director of the Company until the next Annual Meeting, where his election will be ratified.

Appointment of directors on the Board of the Company are done according to the provisions of the Constitution.

A letter of appointment for non-executive directors has been adopted by the Board. Non-executive directors are required to sign the said letter upon appointment on the Board of the Company.

- **Directors' Induction and orientation**

The Company has a formal induction process. Upon a director's appointment, the latter receives an induction and orientation programme where he is invited to visit the Company and familiarize with its operations. The director also receives, through an induction pack, copies of minutes of the three last board meetings held prior to his appointment, the past three financial statements, the mission statement of the Company and relevant legislations which shall enable him to know the duties and obligations of being a director.

Moreover, at the time of the appointment, the Director is requested to give their consent, as per the requirements of the Data Protection Act, for their personal information to be used and shared with authorities and financial institutions as per the requirements of the AML/CFT regulations in place.

The responsibility of the induction process lies with the Chairperson of the Board.

- **Directors' duties**

Upon a director's appointment, the relevant legislation outlining the legal duties associated with the role is communicated through the induction pack provided to the newly appointed director.

In addition, the board charter which sets out the duties and responsibilities of directors with respect to board governance is shared with each new director and is also available for consultation on the Company's website.

- **Directors' code of ethics**

The Board has adopted a Code of Ethics for directors, which is available for consultation on the Company's website.

This Code provides guidance to directors in addressing ethical matters, managing conflicts of interest, and handling related-party transactions.

- **Directors' Conflicts of interest**

The Company Secretary maintains an interest register for the Members of the Board. However, it remains the responsibility of each director to ensure that any interests are recorded in this register. This interest register is available for inspection by the Shareholders upon written request to the Company Secretary.

A Director must, as far as possible, avoid conflicts of interest. However, where a conflict or potential conflict arises, the said conflict must be disclosed and all procedures for dealing with such cases must be strictly adhered to. The timely disclosure of any conflict, or potential conflict, must be made known to the Board and must be entered on the Register of Interests of the Company.

A Director who is conflicted regarding a particular issue shall not be counted in the quorum for the decision-making process and as such shall not participate in the related discussions and decision-making. A conflict of interest may occur when:

- (a) A Director's personal interest is adverse to or may seem to be adverse to the interests of the Company;
- (b) A Director, or a member of his immediate family, receives improper personal benefits as a result of his/her position in the Company.

In the extreme case of continuing material conflicts of interest, it would be in the best interests of the Company that this Director should resign from the Board.

Specific provisions regarding directors' conflicts of interests and related-party transactions are also included in the directors' code of ethics which is available for consultation on the Company's website.

- **Directors' Professional development**

The Company offers directors opportunities to enhance their knowledge and skills through workshops and development programs.

- **Directors' Succession planning**

To maintain a balanced mix of skills and expertise at the level of the Board, the composition of the Board and its committees is reviewed annually by the Company Secretary. The findings of this review are submitted to the Chairperson.

Board committees

- **The Audit and Risk Committee**

The roles and responsibilities of the Audit and Risk Committee are set out in its terms of reference and are summarized as follows:

- To assist the Board in fulfilling its supervisory responsibilities.
- To review the financial reporting process, the system of internal control and assessment of business and financial risks, the internal audit process and the external audit process.
- To monitor compliance with laws and regulations as well as Board policies and Board decisions. In performing its duties, the Committee maintains effective working relationships with the Board of Directors, Management, as well as the Internal and External Auditors;
- To review regularly the risk register and ensure through internal audit reports that the identified risks are monitored and reviewed on a regular basis.
- To submit recommendations to the Board (for consideration and acceptance by shareholders) for the appointment and remunerations of the External Auditors.

The terms of reference of the Audit and Risk Committee are available for consultation on the Company's website. These terms of reference are reviewed as and when necessary and, in any case, at least once every five years.

The composition of the Audit and Risk Committee at June 30, 2025 was as follows:

Name	Position	Status
Mr. Jean Noël Humbert	Chairperson	Independent director
Mr. Jean-Jacques Boullé	Member	Non-executive director
Mrs. Sarah Buhler	Member	Co-opted
Eclosia Secretarial Services Ltd	Secretary	-

Mrs Sarah Buhler, the co-opted member, graduated from Business School ECE (Ecole de Commerce Européenne) in 2010 and obtained a Master CCA (Comptabilité, Contrôle, Audit) from the University of Pau in 2012. She holds the DSCG (Diplôme supérieur de Comptabilité et de Gestion). She previously worked as financial Auditor at Ernst & Young France during 4 years. She joined Avipro Co Ltd in 2017 as Cost Accountant.

The Chairperson of the Audit and Risk Committee is an independent director.

The Board is satisfied that the skills, organisational knowledge, and experience of those non-executive directors allow them to effectively fulfill their responsibilities to the Company and its shareholders. The profiles of the Members of the Audit and Risk Committee – detailing their qualifications and expertise - are presented on pages above, except for Mrs. Sarah Buhler.

The Audit and Risk Committee met **twice** during the year under review. The Committee confirms that it has duly discharged its responsibilities for the year in accordance with its Terms of Reference.

During these meetings, the Committee considered the Internal Audit Reports, the IT Audit report, the Food Safety report, the top 10 risks, the external audit report and external management letter, and the company's risk management process.

All matters discussed during the Committee's meetings are formally communicated to the Board at subsequent board meetings. A brief of the Committee's deliberations is also included in the Board packs.

- **The Corporate Governance Committee**

The Board of the Company is of the opinion that, considering the Company's sector of activity, its shareholding structure and the size of its board, a separate corporate governance committee does not need to be set up. However, the Board undertakes to ensure that the Company complies with prevailing corporate governance principles and that it acts responsibly and responsively towards its stakeholders. In addition, as and when required, the Audit and Risk Committee reviews the corporate governance structure of the Company.

The Company Secretary

Eclosia Secretarial Services Ltd (“ESS”) is the Company Secretary of the Company and is represented by three Company Secretaries, namely the Head of Secretarial Services who is holder of a Bachelor of Laws (LLB Hons) from the University of Manchester, UK, and is a Fellow of the Chartered Governance Institute (CGI), UK and two Company Secretaries an Associate and a Fellow of the CGI. They each complete a minimum of twenty hours of training and skill development annually as required by the Chartered Governance Institute.

ESS, the Company Secretary has access to Board Members and has been assigned the task of applying and implementing the principles of the National Code of Corporate Governance by the Board.

The duties of the Company Secretary have been set out in terms of reference which have been adopted by the Board. The said terms of reference are available for consultation on the Company’s website.

Board Information

Relevant board information is provided to the Board members in a timely manner, allowing them sufficient time to review the matters to be discussed at the meetings and make informed decisions. As a general rule, board documents are sent to the Directors at least 7 days prior to the board meeting.

Where necessary, directors may have access to independent professional advice at the Company’s expense, subject to the formal approval of the Chairperson, to enable them to discharge their responsibilities.

A Directors’ and Officers’ Liability insurance cover is in place for directors and senior officers of the Company.

Information technology and information security governance

The Eclosia Group IT Executive Council (“the GIT”), supported by three sub-committees, is responsible to -provide the necessary directions with regards to strategy, infrastructure and operations management in relation to information, communications and technology systems within the Eclosia Group including Maurilait.

An Information Technology Policies and Procedures (“ITPP”) manual has been established by the GIT to provide guiding principles applicable to the management of IT related processes in order to:

- (a) Establish responsibility and accountability for the use and maintenance of IT resources.
- (b) Encourage management and staff to maintain an appropriate level of awareness, knowledge and skill to allow them to leverage IT resources in delivering quality service to the clients.
- (c) Minimise the impact of IT incidents on service delivery.
- (d) Protect the business information and any client information within its custody by safeguarding their confidentiality and integrity by maintaining their availability.

The ITPP manual is reviewed annually by a sub-committee to accommodate process changes and adapt to new technologies. New IT policies and procedures were introduced to adapt with adoption of emerging technologies. These IT policies encompassed Web Application, Collaboration Tools, Data Classification & Handling, and Generative Artificial Intelligence.

Independently, the IT Auditor reports to the Audit and Risk Committee of each Group Company about the level of compliance to the ITPP.

An End User IT Security Policy is remitted to all new recruits and must be adhered to by all employees. together with the cybersecurity awareness and eLearning program. Periodic cybersecurity awareness and eLearning program are conducted for employees to foster a cybersecurity-conscious culture. These initiatives included information security best practices, phishing campaigns, and safe online behaviors.

Collaboration with a cyber incident response and forensic specialist was established, along with a well-defined incident response plan. Our aim is to facilitate incident response through prompt detection, containment, eradication and recovery from cybersecurity incidents.

Implemented since 2020, Microsoft D365 Enterprise Resource Planning (ERP) System improves business operations and decision-making process, as well as provides enhanced financial controls. It is managed through a strong governance, enabling to keep benefits over time, and benefit from a full redundancy and back-up to ensure full availability for operations.

Access rights are managed centrally and enable management and restriction to access applications, transactions, and data, for ERP and business systems-

This robust IT Governance Framework and initiatives proves that Information Management, Information Technology and Information Security is at the heart of Maurilait's operations, and that no effort is spared to maintain a reliable and secured IT environment.

Related party transactions

Related party transactions are disclosed in the accounts and are at arm's length and in the normal course of business.

Management agreements and contracts of significance

- **Shareholders' Agreements affecting Governance of the Company**

There is no shareholders' agreement that affects the governance of the Company.

- **Management agreements and contract of significance**

The Company has a management contract with Management and Development Company Ltd (Madco), in which three directors have an interest. This contract covers inter alia, strategy, human resources, governance, risk and compliance issues monitored at group level.

The above contract is remunerated in the form of management fees.

Furthermore, the following contracts exist between the Company and its sister companies:

- The provision of secretarial services by Eclasia Secretarial Services Ltd (subsidiary of Madco);
- The provision of business support services by Eclasia Corporate Services Ltd (wholly owned subsidiary of Madco).
- The provision of IT Support Services by Eclasia Technology Services Ltd (wholly owned subsidiary of Madco)

- **Contract of significance with a director**

There is no contract of significance between the Company and its directors or between the Company and its shareholders.

Risk governance

The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. In that respect, it has entrusted to the Audit and Risk Committee the responsibility to ensure that Management identifies and manages all inherent risks on a regular basis and, amongst other initiatives, keeping a Risk Register.

In that respect, the management of the Company has set up a risk management process to identify and manage its risks and a risk register containing the top 10 risks of the Company has been set up.

Risks are evaluated according to the likelihood of occurrence and the potential impact on the corporate goals. This methodology helps to prioritize risk responsiveness. The risks have been categorized as follows:

RISK CATEGORY	DESCRIPTIONS
FINANCIAL	The financial risks include liquidity risks and risk associated with interest rates, foreign exchange rates, taxation, capital structure and profitability risk.
REPUTATION	Reputation risks relates to public profile, employee confidence, customer satisfaction, etc.
OPERATIONAL	Operational risks include all processes and sub processes from the time the raw materials are produced / ordered / received, the production process, delivery of products, up to the point of receipt by the customer. It also includes IT downtime.
COMPLIANCE	Compliance include risks related to non-compliance of quality/ government bodies, political decisions, events or conditions of environmental Laws, reporting and disclosure requirements and the code of corporate governance.
HEALTH & SAFETY	Risks associated with all events which can potentially cause injuries / fatalities to Maurilait's workforce, visitors or customers.
ENVIRONMENT	Natural environment risks include all actual or potential threats of adverse effects on the environment by effluents, emissions, wastes, resource depletion, infections arising out of Maurilait's activities.
STRATEGIC	Risks that are outside the control of Maurilait relating to macro-economic evolution, politics, foreign investments, climatic conditions etc.

- **Risk management and Business Continuity Plan**

Risk management has a better chance of becoming embedded across an organization if it is operated based on clearly defined structures and responsibilities.

Adequate insurance policy covers have been taken to mitigate these risks where applicable. The Insurance Policies have been established based on the advice of an insurance broker.

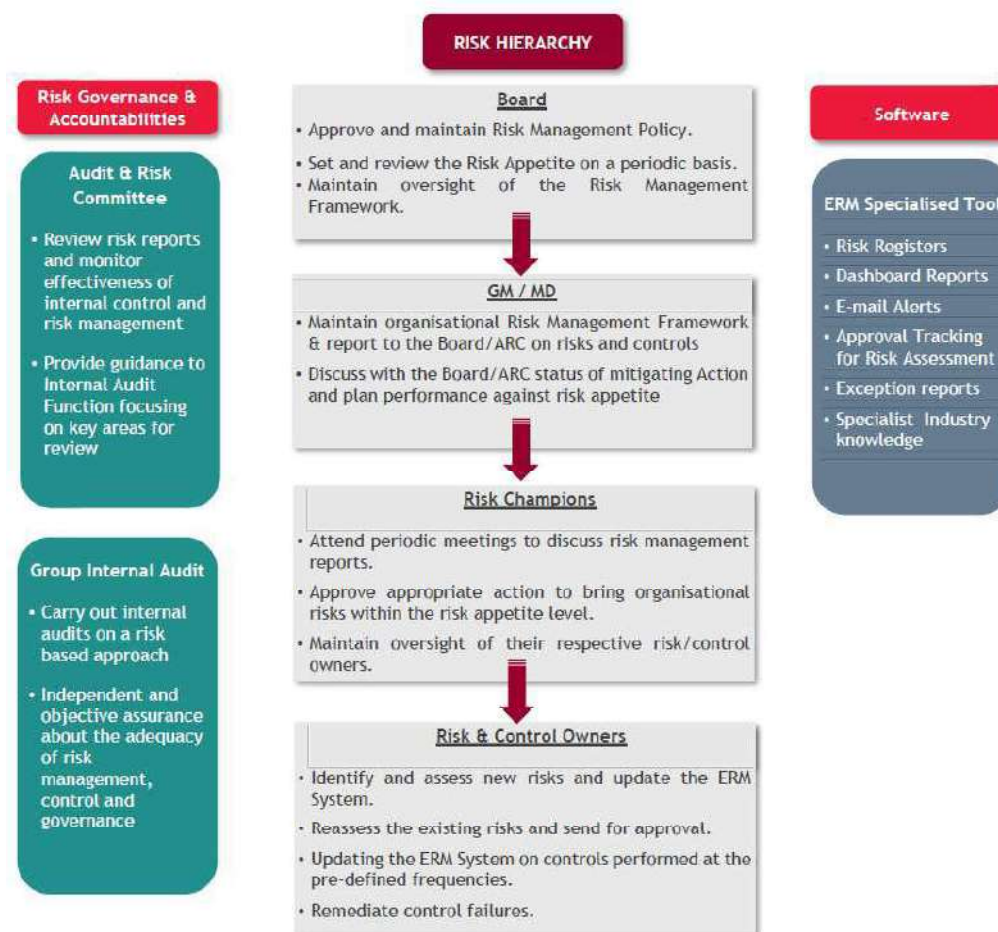
Financial risks which have been identified as being those which could materially impact the financial performance of the Company are listed in note 3 to the financial statements.

The Audit & Risk Committee is responsible for monitoring its application and reliability.

The Company has finalized a formal Business Continuity Plan (“BCP”) during the financial year 2019/2020. The BCP builds upon the major risks identified in the risk register and provides scenarios detailing possible causes and likely impacts should these risks materialize.

The BCP lists possible contingency plans and procedures to be enacted to mitigate or prevent long-term negative impact to Maurilait’s ability to operate. The company also developed more detailed protocols and a simplified Continuity Plan in the aftermath of the Covid-19 crisis.

The diagram below represents the Company’s risk management framework:



- **Internal control**

- ❖ In addition to the review of the Company’s risks by the Audit and Risk committee, a sound internal control system is in place at the Company.
- ❖ The Board has entrusted to the Audit and Risk Committee the responsibility to report on the effectiveness of Internal Control.

- ❖ Implementing, maintaining, and monitoring internal controls is enhanced by compliance to Group Finance and Accounting Policies & Procedures, Maurilait's Accounting Policies & Procedures, Group Treasury Procedures, implementing recommendations by internal and external auditors, monthly submission of financials to Group Finance, monthly reconciliation of all balance sheet control accounts and perpetual stock and fixed asset counts.
- ❖ Management substantiates that there is no significant area within the company's processes that is currently not being covered by internal controls.
- ❖ Management also substantiates that there is currently no risk or deficiency within the company's system of internal controls.

Data protection

Maurilait needs to collect personal data to effectively carry out its activities. Such data is collected from employees as well as from suppliers and contractors and includes (but is not limited to): name, address, email address, date of birth, identification numbers, private and confidential information, special categories of personal data, and bank details.

Maurilait complies with the European Union General Data Protection Regulation 2016 and the Mauritius Data Protection Act 2017 for all processing of personal data, despite the operational jurisdiction or residential jurisdiction of a data subject. The company is committed to processing all personal information in accordance with the two aforementioned laws and any other relevant data protection regulations, in accordance with our franchisors' agreements. Maurilait has put in place a Data Protection Committee, policies, procedures, controls, and measures to ensure the safe, secure, ethical, and transparent processing of all personal data, and to guarantee continued compliance with the data protection laws and principles, including staff training, procedure documents, and internal assessments.

• Audit

❖ Internal audit

The Company outsources the internal audit functions to Eclasia Corporate Services Ltd ("ECS") ECS's Internal Audit Departments, whose staff members possess the necessary qualifications (including FCCA, CGI, CIA, CFE, CISA, CRISC, CISM, CDPSE, Certified Compliance professional, among others), expertise, coupled with years of experience to fulfil their role effectively. They are supported by a well-structured Enterprise Risk Management and Governance framework that ensures their independence, objectivity, competence, and free access to books and records for a comprehensive evaluation of risks and controls. The staffing level together with continuous learning & development enable a sufficient coverage of emerging risks and various audit areas such as financial, accounting, operational, data privacy, and information technology. We adopt and apply international auditing standards prescribed by the IIA and ISACA, risk-based audit methodologies, automated tools with data analytics to conduct thorough audits and reporting to Audit and Risk Committees.

Quality Management System (Quality, Food Safety, Health & Safety and Environment) internal audits are also conducted by ECS Ltd on a regular basis in view of asserting the level of conformity with international standards.

The Board, with the assistance of the Audit and Risk Committee and the Internal Auditors monitor the effectiveness of internal controls.

The Internal Auditors follow an established system of internal control and policies which ensure that the control objectives are attained.

The Internal Audit team has an independent appraisal function which reviews the adequacy and effectiveness of internal controls and the systems that support them. This includes controls at both the operational and financial levels as well as offering guidance to Management in relation to the evaluation of overall business risks and actions taken to mitigate such risks. Weaknesses identified by the Internal Auditors during their reviews are brought to the attention of Management and the Audit & Risk Committee formally by way of risk rated structured reports. These comprise of the results of the current review together with updates on the corrective actions taken by Management to improve control systems and procedures. The Internal Audit Manager attends and reports on his findings at the Audit and Risk committee. Thereafter, the Chairman of the Audit and Risk Committee brings to the Board any material issues requiring special attention of the Directors. The purpose, authority and responsibility of the Internal Auditors are formally defined in its Charter.

The Internal Audit team has the authority to access and examine all information, both paper-based and electronic documents, as well as inspect physical assets. No complaints were received from the Internal Auditor during the year under review with respect to restrictions on access to records, management or employees of the organization.

The objectives of the reviews performed by the Internal Audit function are to give assurance on the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations as well as on the reliability of financial reporting.

The internal audit team has covered the following items for FY25:

- Spare parts inventory and purchase – where mention was made of a need to have a structured approach for the identification and provisioning for obsolete parts. Since then, Management has defined a methodology for same.
- External storage – where a thorough inventory of MPL's raw materials was carried out with immaterial discrepancies noted and corrected.
- Journal entries – where a recommendation was made for journal entries made by Shared Services to be verified and approved by Maurilait's officers – which the company has implemented.
- Best deal comparison with Group Nontrade purchase – whereby it was recommended that MPL has a clear view of the various proposals made by Share Procurement Services.

External Audit

The external auditors of the Company, BDO & Co, who have been the external auditors of the Company since the year ended 30 June 2011, have been reconducted to their functions. A tender is launched every seven years at the level of the Eclisia group for the appointment of external auditors. The last tender was carried out in 2019.

The Audit and Risk committee reviews the audit plan and fees of the external auditor prior to the yearly audits.

The Audit and Risk committee meets once a year with the external auditors to review the Company's financial statements, management and representation letter and to assess the effectiveness of the external audit process. The external auditor also has the possibility to meet the members of the Audit and Risk committee without management presence.

Furthermore, an assessment of the work and performance of external auditors is carried out yearly both by management and the Audit and Risk committee. The criteria used for such assessment is as follows:

- Quality of Services provided
- Sufficiency of Audit Firm and Network Resources
- Independence, Objectivity and Professional skepticism.

There was no significant issue identified by the Audit Committee in relation to the last financial statements of the Company.

The audit fees of the external auditor of Maurilait for the financial year 2024/2025 are Rs 660,335 compared to 2023/2024 at Rs 552,700. No non-audit services were provided.

Relationship with stakeholders

The Company engages in ongoing dialogue with its stakeholders regarding its strategic position, performance, and future outlook. Management ensures that the Company is responsive to stakeholders' reasonable expectations and interests. In this regard, the following measures are undertaken:

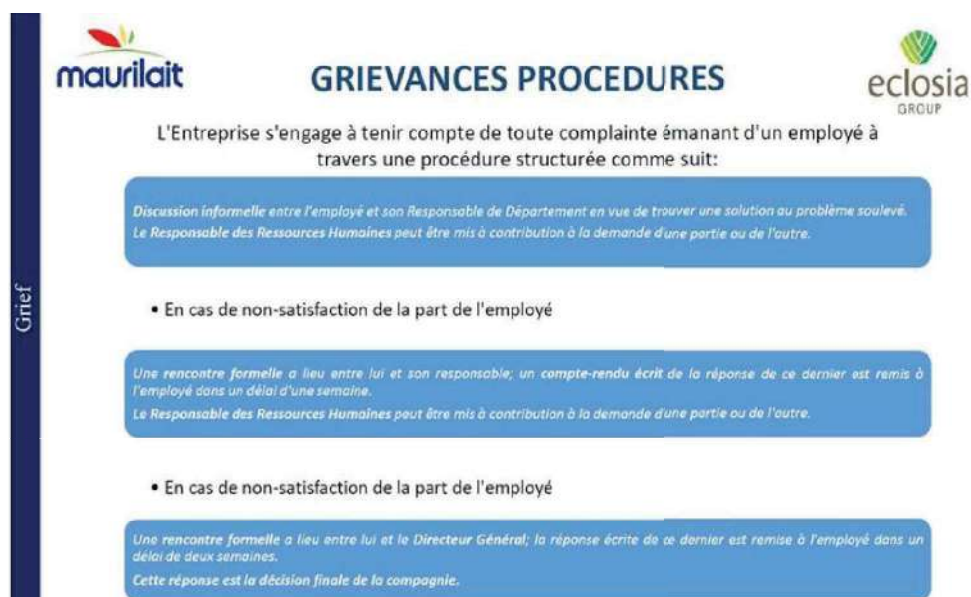
(a) Shareholders

Since Maurilait Production Limitée is a private company, all matters that require shareholders' approval are approved through a written resolution in lieu of an Annual or Special Meeting, as per the requirements of the Companies Act 2001.

(b) Employees

The satisfaction level of employees is evaluated every 2 years through an engagement survey. The result of this survey is analysed in focus groups consisting of representatives of employees and an improvement action plan is thereafter put in place.

Although there is no formal whistle blowing procedure in place, all employees have access to confidential and independent people, namely the company's internal auditor, Head of HR, and ultimately the General Manager. A grievance procedure is in place as follows:



(c) Clients & Suppliers

Surveys and evaluations are carried out on a regular basis and improvement action plans therefore put in place.

(d) Franchisors

The annual visits of the Company's franchisors, both technical and marketing, allow to set up and to follow action plans aimed at their satisfaction and those of the market.

(d) Public Bodies

Maurilait complies with all legal and normative rules put forth by public bodies. The company constantly monitors any updates in the relevant legal framework and undertakes appropriate action to ensure compliance with the law at all times.

Calendar of annual events

The calendar of the annual events of Maurilait for the financial year under review was as follows:

Events	Month
Approval of Audited Financial Statements	November
Annual Meeting	December

Donations

Donations by the Company for the year under review were:

	Company	
	2025	2024
	Rs'000	Rs'000
Charitable Donations	2,038	731
Political Donations	500	Nil

Statement of compliance

Reporting Period:

1 JULY 2024 TO 30 JUNE 2025

We, the Directors of **Maurilait Production Limitée**, confirm that to the best of our knowledge, throughout the financial year ended June 30, 2025, **Maurilait Production Limitée** has complied with the principles set out in the Corporate Governance Code for Mauritius except for the following:

(a) Composition of the Board

The Board does not have any executive director. However, the Board believes that the attendance of senior executives at the meetings and various sub-committees of the Board fulfils the spirit of the Code.

Furthermore, there is no independent director on the Board of the Company.

Nevertheless, the Members of the Board are satisfied that it is well balanced because the directors have the necessary skills, experience and knowledge of the organisation to discharge their responsibilities towards the Group and its shareholders effectively.

(b) Composition of the Audit and Risk Committee

The Audit and Risk Committee is composed of one independent director, one non-executive director and one co-opted member

The Chairperson of the Audit and Risk Committee is an independent director. The Board has designated the Chairman of the Audit and Risk Committee on account of his experience and skills.

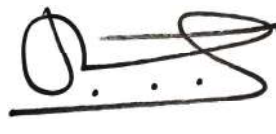
During the financial year under review, one of the members of the Audit and Risk Committee while not being a director of the Company, was co-opted on the Committee on account of her financial expertise and knowledge of the operations of the Company.

Explanations as to how these principles have been applied are provided in the Corporate Governance Report of the Company at June 30, 2025.

SIGNED BY:



Cédric de Spéville
Chairperson



Jean Noel Humbert
Director

Date: 14 November 2025

WOMEN AND MEN, OUR FOUNDATION

Our Creed

At Maurilait, the Eclosia Group Credo is not just a statement displayed on our walls — it is a living, breathing part of who we are. We are deeply passionate about upholding and embodying these values in everything we do. From the moment someone joins our team, we ensure they not only understand but also connect with the spirit of the Credo.

During our recruitment process, we look for individuals who naturally align with these principles. But it doesn't stop there. Through a dedicated onboarding session, we immerse new collaborators in the Credo — exploring each value in depth, bringing them to life with real examples, and showing how they shape our everyday culture at Maurilait.

To help embed these values, each new employee receives a personal copy of the Credo and our Code of Ethics following the onboarding. They are then invited to sign as a symbol of their personal commitment to uphold these principles in all their professional conduct and relationships.

We take this commitment seriously. The Credo is a cornerstone of our identity, and we proactively nurture a culture where these values are respected, upheld, and safeguarded by all.

Recruitment

Selection and Interview Protocol

Identifying the right talent at the right place

At Maurilait, we believe that recruiting the right talent is key to sustaining and enriching our operations. We actively seek individuals whose skills and potential for growth align with our core values and long-term vision. This year, this approach has enabled us to fill several key positions internally, reflecting our strong commitment to developing and nurturing our own people.

Driven by our passion for sharing our industry and values with future generations, we have launched a range of initiatives aimed at attracting both students and experienced professionals. In 2025, we organized factory tours to offer students an authentic glimpse into our industry. Among the many institutions we welcomed, we were proud to host Paul Vergès High School from Réunion Island, along with 35 students.



Lycée Paul Vergès, Île de La Réunion

To further encourage hands-on experience, we partnered with a number of local and international institutions. From Mauritius, we collaborated with Université des Mascareignes, Collège St Gabriel, MITD, among others. Internationally, our partnerships include renowned institutions such as École d'ingénieur ENSMAC (Bordeaux), Toulouse INP Purpan, Institut AgroSup Montpellier, and École Polytechnique de Lorraine.



We hosted about 51 interns in 2024/2025



We also valued our trainees with Facebook post and videos

Aligned with the Group's objective of building a strong Employer Brand, Maurilait continues to reinforce its Employee Value Proposition through targeted communication. By sharing articles on our Facebook and LinkedIn pages and fostering close relationships with academic institutions, we are strengthening our visibility, reputation, and connection with future talent — building meaningful bridges between academia and the professional world.



We pay special attention to welcoming candidates selected for interviews, allowing them to experience our company culture firsthand. Our selection process, based on the Ecosia Group's framework, includes multiple steps to evaluate technical skills, cultural fit, and leadership abilities. Our protocol guarantees a **transparent and fair recruitment process** for all.



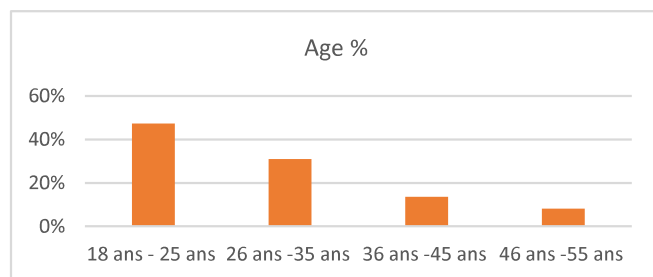
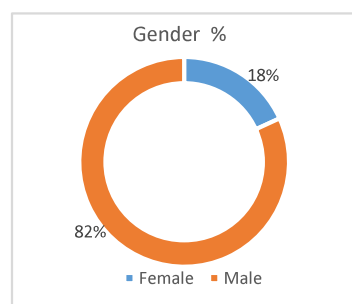
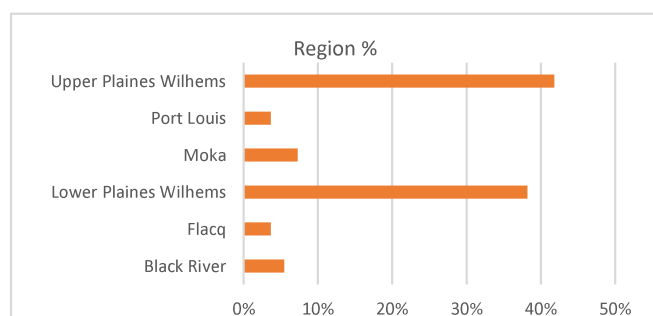
Onboarding

Setting up our new recruits for early success in their roles



The induction process is designed to rapidly equip new employees with the skills they need while immersing them in Maurilait's culture. They are introduced to the company's rich history, its mission, vision, and management practices. The program also covers essential areas such as IT, Security, Food Safety, and Health & Safety policies. Beyond operational knowledge, the induction fosters a strong sense of internal customer service and encourages reflection on key leadership soft skills, including emotional intelligence, proactivity, and priority management. This comprehensive approach ensures a smooth transition and effective integration into the company.

New employees also participate in a group induction day alongside recruits from other Eclosia Group companies. This session offers an introduction to the Group's history and a deep dive into our Employee Value Proposition (EVP). When relevant to their role, we also arrange meetings with key contacts across the Group to help them build important connections. Our goal is to ensure that new team members gain a solid understanding of Eclosia's internal ecosystem and begin building relationships with future colleagues from day one.



The representation of the new recruits in FY25

Internal Mobility

Providing new challenges, enhancing know-how and discovering new aspects of the company

Four experienced collaborators had the chance to discover a new role and a new department within the company. We implement a tailored induction process designed to support their transition into their new department and reporting line. This process acknowledges that internal moves, while familiar with the company, still involve significant adjustments.

As part of this support, we organize a dedicated session called 'Face au changement' led by our Group Counselling and Well-Being Specialist. This session is specifically designed to help employees navigate the emotional and professional aspects of change. It focuses on adaptation strategies, communication with new teams, and managing expectations. The objectives of the session are defined in advance in collaboration with the Head of Department (HOD), ensuring alignment with both the employee's development needs and the team's expectations.

Through this approach, we aim to foster a smooth and positive internal transition, reinforcing our commitment to employee growth and well-being at every stage of their journey within Maurilait.



Career

People development

Supporting our employees in their development journeys

At Maurilait, employee development goes well beyond the induction period — it is a continuous journey throughout each employee's career. Our approach is aligned with both the company's evolving needs and the individual's capacity to grow and acquire new skills.

Each year, following the Performance Management Review, the HR department conducts a Learning Needs Analysis to identify and address development opportunities. **This ensures that every employee has the tools and support needed to reach their full potential.**

Training is delivered through a combination of external programs and internal initiatives, including on-the-job training, providing both practical experience and continuous guidance.

Organization & People Review (OPR)

During this year's OPR, we took time to reflect on the evolving expectations of our younger employees. **We undertook a thorough review of career paths across the company to identify growth opportunities for key talent.** This exercise led to the implementation of a structured internal recruitment policy aimed at energizing the careers of high-potential employees. This approach brings renewed dynamic to the organization and reinforced our commitment to employee development and retention.

Partnerships with universities

To foster a culture of continuous learning and innovation, we have partnered with 11 prestigious international universities, welcoming interns from institutions offering advanced, specialized training. **These collaborations have not only broadened our global perspective but have also brought fresh expertise into our teams.**

From R&D and Quality to Production, Maintenance, and Sustainability, we ensure each intern is assigned to impactful, forward-thinking projects. **This mutually enriching exchange allows students to complete meaningful academic research while contributing real value to our operations and long-term goals.**



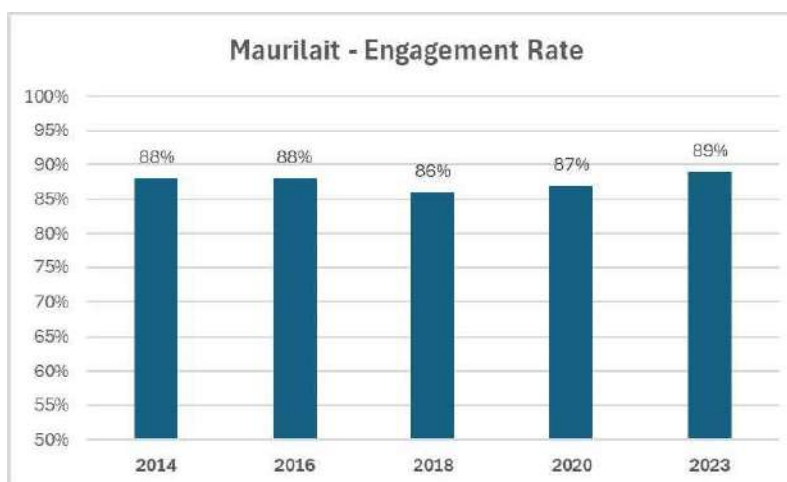
We hosted 15 international students for the year 2024- 2025

Employee Engagement

Leveraging on all drivers of employee motivation

Maurilait employees are not unionized. Our strong industrial relations are supported by a company culture that emphasizes on communication and participative management.

Employee engagement is a top priority for Maurilait. We assess this engagement every two years through an independent third party. The most recent survey was conducted in 2023. Results were broadly shared within the company through various forums.



Focus groups were conducted within each department to analyse the survey results in their specific contexts. Based on their teams' feedback, each Head of Department developed a targeted action plan to address key areas for improvement.

At Maurilait, we are committed to nurturing our junior managers by developing their skills and broadening their experience in preparation for future senior roles. This year, four high-potential talents were given the opportunity to grow through internal transfers.

In addition, we reviewed and updated certain job titles to better reflect the value and importance of each role, ensuring that all employees feel recognised and appreciated for their contributions.

Diversity, Equity, Inclusion

Diversity, equity and inclusion are core values for Eclasia Group. A 2027 roadmap has been consolidated with equal opportunities as the central element:

Diversity:

- Create a foundation of **awareness of the challenges of the DEI** with the objective of 100% of employees sensitized.
- The promotion of the **employment and development of female talents** with at least 25% of directors on the boards of public interest companies of the group and at least 40% of employees on grades 14 to go up.

Equity:

- Anonymization of CVs and **review the recruitment process.**
- Certification of **equal pay for men and women.**

Inclusion:

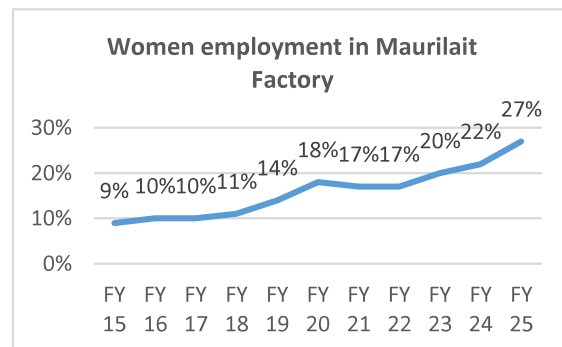
- Promoting the **employment of people with disabilities** to increase from 30 to 60 employees minimum
- The promotion of **social inclusion** with at least 50% of the annual budget of the Solidarity Foundation targeting the axis of inclusion.

Diversity, equity, and inclusion take on various aspects in the local context and are not limited to gender or people with disabilities.



Positions in maintenance or production, have historically been occupied by men. For several years, we have challenged this by emphasizing that, **consistent with our values, we recruit based on skills, culture fit, and leadership competencies, not on gender, religion, community, or sexual orientation.**

This awareness has been crucial in driving change over the past decade. By implementing various solutions to achieve gender equity (new locker rooms, motorized pallet truck, adapted transport system) **the percentage of women in the factory has more than doubled over the past decade.** These transformations required bringing awareness among our teams to overcome prejudices related to gender in certain roles.



The percentage of people with disabilities at Maurilait has been around 3% for the past decade. We aimed to increase this rate in alignment with the broader initiative launched by the Eclasia Group. **In partnership with the Global Rainbow Foundation (GRF), we initiated a project to promote the employment of people with disabilities.**



The initiative began with a comprehensive **audit** of all our positions conducted by GRF, which led to the identification of 13 roles suitable for people with disabilities. Following this, **we developed a tailored project with GRF** to support the integration of these individuals into the identified positions. The initiative culminated in **welcoming 5 selected beneficiaries to Maurilait for a two-month introductory internship**, providing them with hands-on experience and further preparing them for long-term employment.

It is important to recognize that both the individual with a disability and the company must be adequately prepared for successful integration. At Maurilait, our experience with recruiting employees with disabilities has improved over time. However, we have observed certain challenges, particularly in adapting to our fast-paced work environment.

Despite these challenges, we are proud to continue employing three individuals with disabilities who have successfully adapted and are now well-integrated members of our team. We are planning to put our experience into practice with a new group of GRF beneficiaries in the 2025–2026 period.

In the current Mauritian context, DEI aspects related to ethnic groups, religion, or sexual orientation can be sensitive. Without presenting specific percentages, it is worth noting that **Maurilait is diverse across all these dimensions, contributing to the richness and beauty of our company.**

The evolution of the various percentages mentioned above will occur gradually, while **maintaining our focus on recruiting based on skills, culture fit, and leadership competencies.**

Employee Value Proposition



At Maurilait, our greatest asset is our people. We foster a supportive, dynamic, and enriching work environment through:

Talent Acquisition: Our transparent and fair recruitment process attracts top talent.

Integration and Training: New hires receive comprehensive onboarding to rapidly gain essential skills, understand our culture, and connect with key team members.

Health and Safety: We prioritize a secure work environment with proactive safety measures and wellness programs.

Career and Compensation: Our clear job grading system and competitive compensation align with market standards, while ongoing training and internal mobility support career growth.

Corporate Culture: We enhance employee experience with artistic and cultural activities, fostering a strong sense of community and sharing.

By adhering to these principles, Maurilait ensures a fulfilling, motivating, and supportive work environment for all.

Corporate Life

Participative management is a cornerstone of Maurilait's corporate culture. Firmly rooted in our practices for several decades, this approach is based on our core values, including respect for others, the quality of relationships, active listening and the belief that human dignity has no hierarchy.

This management style emphasizes:

- **Close relationships between management and employees:** Our open-door policy and strong on-the-floor presence foster simple, straightforward interactions, encouraging the sharing of information and viewpoints on all aspects of company life.
- **Effective communication within the company:** We have various forums to facilitate exchange between management and employees. Some of them include 'comités élargis', 'conseils d'entreprise', 'réunions intra-département', 'réunions de section', 'comités salaires', Health & Safety committees, focus groups, and more.
- **Active employee involvement in project design and execution:** Our participative management style ensures colleagues are consulted during project design. Emphasis is placed on change management to provide employees with all necessary information, ensuring positive reception, engagement, and full participation in project execution.
- **Tools to facilitate employee participation:** Some of them include QRQC (*Quick Response Quality Control*): a problem-solving methodology that combines quality control, continuous improvement, and teamwork to resolve quality issues. Bird Pyramid where employees report Health & Safety issues, emphasizing that addressing numerous minor incidents and near-misses can prevent serious accidents and injuries. Kaizen Boards for raising improvement ideas or issues to enable quick action.

This approach is not merely a management tool but a respectful way of being, embodied through mutual dialogue and listening. These positive industrial relations enhance employee well-being and their full participation in achieving the company's goals.

Wellness

We firmly believe that **healthy, happy, and fulfilled employees are the company's greatest assets for success**. At Maurilait, employee well-being is promoted in different ways.



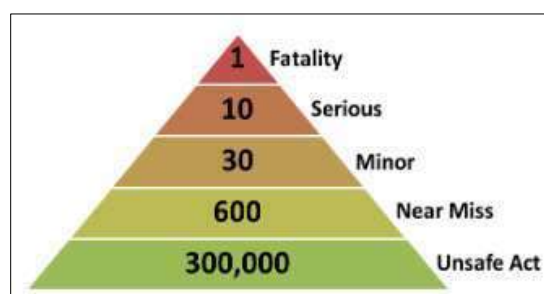
Health & Safety

First and foremost, **we prioritize the health and safety of our employees**. This commitment is reflected in our dedicated **Health & Safety structure**, which includes ongoing efforts to improve safety metrics and the prominent place Health & Safety holds in all our communication forums. We hold dedicated forums for problem-solving and information sharing to promote best practices.

To raise awareness among our employees and visitors, a safety totem is placed at the site entrance to share and remind everyone visiting Maurilait of our commitment to their safety.

The Bird pyramid, which shows a relationship between serious accidents, minor accidents and near misses has been deployed in the company for two years based on best practices shared by the international brands we represent.

A monthly meeting is conducted with all HODs to discuss pertaining incidents as well as their corrective actions.



Bird Pyramid

Through this participation and collaboration of our personnel, we encourage open and accurate reporting without fear of retaliations. High-potential risk assessment exercises are conducted regularly in designated locations. In this regard, **as part of our fight against fire risk, six risk assessments in defined areas have been carried out**.

The risks linked to the flow of vehicles on the Maurilait site also have been considered. All employee uniforms have been equipped with reflective strips, and significant work on structuring the pedestrian flow has been carried out across the entire Maurilait site.



Pedestrian flow



Reflective stripes

Decent employment conditions

Employee well-being also entails **providing decent working conditions within a corporate culture that respects human dignity**. Considering this year's high national inflation rates, we reviewed salary conditions. We chose to **position our entry-level salary above the national minimum wage and maintained a relative balance between salaries based on grade and tenure**. We also decided to better reward positions with challenging schedules, such as shift work. This approach has greatly contributed to maintaining a positive work environment and a stable workforce despite the high volatility of the Mauritian job market.

Cellule d'écoute

We **support employees through difficult personal times**. Close relationships with colleagues, manager support, and HR team listening are crucial. Our well-established Cellule d'écoute plays a key role in helping those facing significant challenges by providing the opportunity for active listening by Mrs. Gina Casset (Counseling and Wellbeing Specialist). This year, Mrs. Casset supported 11 Maurilait employees dealing with family issues and stress management.

Good health and physical fitness

We **strongly encourage our employees to maintain good health and physical fitness**. Every week, a general practitioner provides **free consultations for all our employees, promoting accessible healthcare**. Additionally, we organize annual health screening sessions. Several sports activities are held throughout the year, providing opportunities for our employees to engage in physical exercise while promoting team spirit.



PERFORMANCE AND IMPACT

Social Impact

Our commitment to well-being extends beyond our employees to embrace our societal responsibilities, contributing to a better Mauritius. This philosophy underpins our CSR actions.

CSR Committee

Our CSR Committee, consisting of approximately fifteen employees, is **dedicated to defining and overseeing the CSR actions**. This team is responsible for proposing projects to the Fondation Solidarité and coordinating the implementation of approved initiatives. The committee operates under the guidance of a steering committee that establishes the main directions and validates all actions and projects. This year, **174 employees actively participated in various CSR activities and projects**, reflecting our commitment to making a positive impact.

CSR Activities

Over the past year, we have undertaken several initiatives: organizing dinners for the homeless in Beau-Bassin - Rose-Hill, conducting disease screening sessions, hosting blood donation drives, providing lunches for the elderly living in loneliness, and participating in toy collections for vulnerable children. Additionally, donations totaling Rs 1,491,358 were made to associations and NGOs.



Eclosia Solidarité

In compliance with current legislation, Maurilait has allocated Rs 1,345,358 to Corporate Social Responsibility. These funds support the Eclosia Group's CSR activities through the Eclosia Solidarité foundation.

Established in 2009, the Fondation Solidarité, renamed in May 2025 as "Eclosia Solidarité", facilitates the development, financing, and execution of responsible actions aligned with Eclosia's core values. The foundation **manages Eclosia's CSR funds and serves as a conduit for contributions from the Group's various companies.** It oversees project implementation and shares expertise with project leaders in the companies where the projects are deployed. To achieve these goals, the foundation has developed strong partnerships with NGOs and other associations.

Aligned with the UN's SDGs, the foundation's areas of action are the following:



#IMPACTER	Participer activement à la réalisation des objectifs du développement durable.
#ENTREPRENDRE	Favoriser l'émergence d'une nouvelle génération d'entrepreneurs et d'entreprises
#INCLURE	Promouvoir l'inclusion sociale en favorisant l'égalité des chances, la diversité et la participation active de tous notamment des plus vulnérables.
#NOURRIR	Contribuer à la sécurité et l'autosuffisance alimentaire ainsi qu'au bien-être des citoyens à travers une alimentation responsable et durable.
#RESPECTER	Contribuer à une nécessaire transition écologique et agir pour protéger, préserver et restaurer l'environnement.

CSR Projects

In 2023, Maurilait successfully funded and implemented four CSR projects supported by the Fondation Solidarité:



Daily yogurt for underprivileged children (FoodWise)

We partnered with FoodWise and 19 other NGOs in the southern region to provide a daily yogurt to **600 children**, ensuring they benefit from its nutritional value and reducing food waste.

Our yogurts supplement breakfast and snack programs in schools and supports other food-related NGO's initiatives.



Youth Employability (Collège Technique St. Gabriel)

To **empower youth and foster inclusive economy**, we financially supported Collège Technique St. Gabriel by providing scholarships to **five young person** who have previously experienced academic failure. We hosted the five scholarship recipients for internships at Maurilait, preparing them for the future.



Recycling 5L Tubs and 5kg Buckets (Green Impact)

To contribute to **environmental preservation**, we continued our collaboration with Green Impact to collect 5L tubs and 5kg buckets from hotels and transport them to PIM limited for recycling. This project also supports the **circular economy** by **promoting inclusive entrepreneurship and business practices**.



Partnership with WeRecycle's Awareness Campaign in Primary Schools

To promote **environmental preservation** in other parts of the island, we sponsored WeRecycle's Awareness Campaign in primary schools around the island.

We-Recycle's primary school program fosters environmental stewardship by teaching students about pollution, waste management, and sustainability. It emphasizes the importance of individual actions in reducing solid-waste pollution and adheres to the principles of Reuse, Reduce, and Recycle. Designed to capture children's attention through interactive and visual elements, the program is accessible to all, regardless of language or literacy barriers.



Planet - Environmental Impact

The environmental strategy of Eclasia Group companies is crystallized today around major global issues with 3 pillars: climate, local and circular economy, protection of the living and biodiversity.

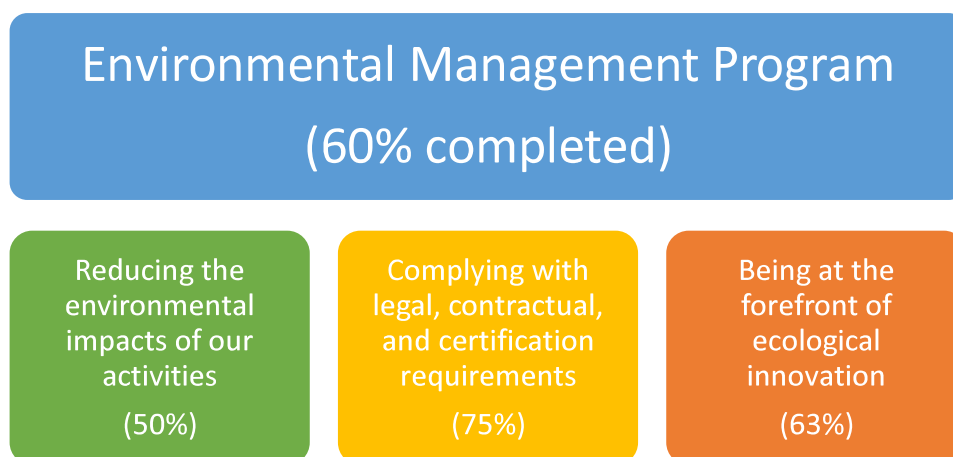
This year, Maurilait reviewed its internal Environmental Policy with strong commitment to the environment.

Our integrated policy is organized around 3 main axes:

1. Reducing our activities' impacts on the environment
2. Complying with legal, contractual and certification requirements
3. Being at the forefront of the ecological innovation

An Environmental Management Program over the next two years have been put in place in line with our internal policy and demonstrates our commitment towards the environment. It aims at implementing Maurilait's Plastic Roadmap, managing and improving the energy efficiency of our operations and partnering with local and foreign stakeholders to structure waste treatment sectors while promoting circular economy, and investing in environmentally friendly solutions for our manufacturing processes.

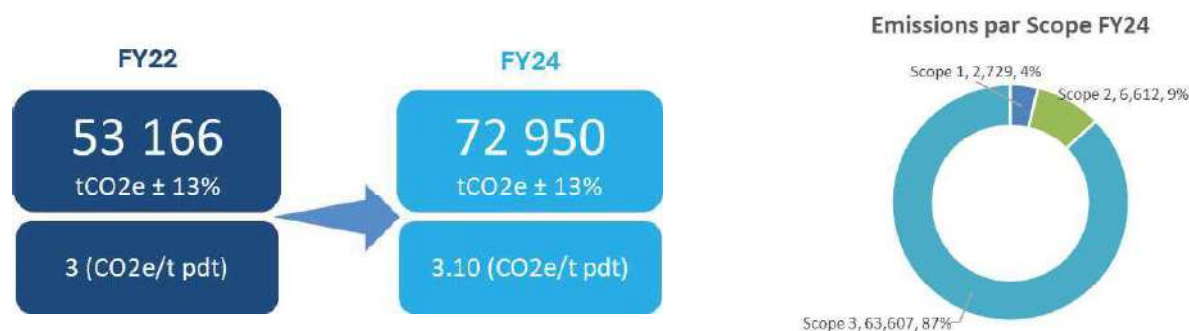
Our 2 years environmental Management Program has been completed at 60%.



- **Climate strategy**

- ❖ **Low Carbon Strategy**

Climate change is adversely affecting the lives of millions of people around the world and is tangible in Mauritius. In 2022, Maurilait measured for the first time its carbon footprint as part of the Ecosia group project Carbon Act. This year the company reevaluated its carbon footprint. The company's low carbon strategy is inspired by SBTi, with the objectives of reducing its Scope 1 and 2 according to the Paris Agreement. The Ecosia group aims to reduce its scope 3 by 15% by the end of 2027.



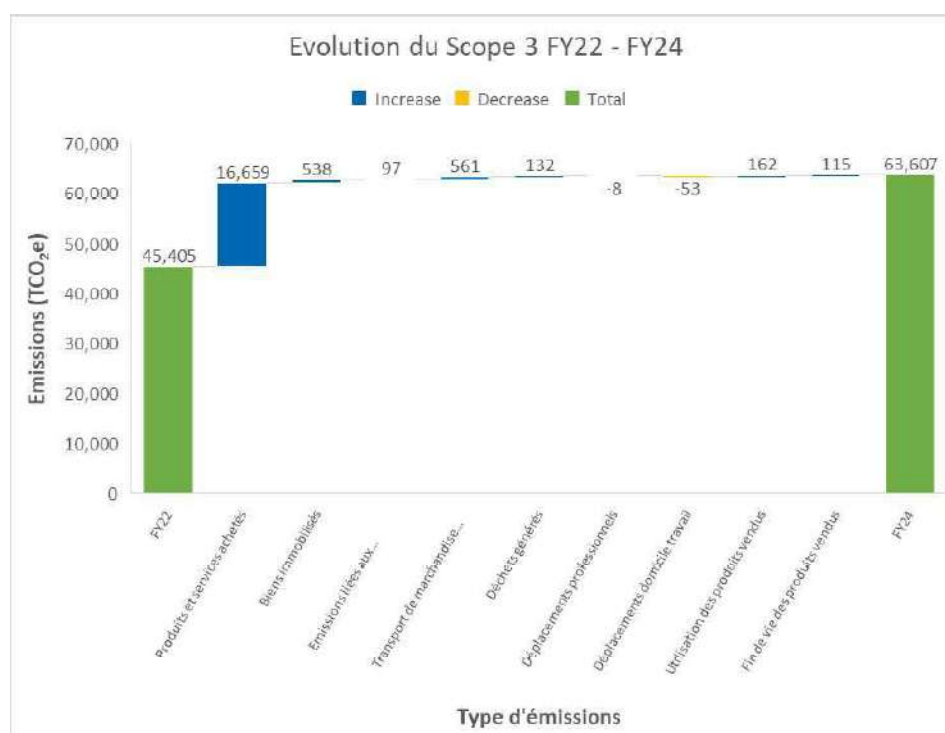
Scope	Total (t CO ₂ e)	Incertitude (t CO ₂ e)	Incertitude (%)
Scope 1	2,729	380.6976	14%
Scope 2	6,612	604.9774	9%
Scope 3	63,607	9543.045	15%
TOTAL	72,947	9,570	13%

Scope 1 and 2 (9341 tCO₂e) are linked to direct and indirect emissions of Maurilait's activity. These two scopes account for 12.8% of the total CO₂ emission of the company. Maurilait has strengthened its control over energy efficiency. Although overall energy consumption has slightly increased, the ratio relative to the volume of products sold has improved.

A photovoltaic farm project is currently underway, with completion scheduled for 2027. Its impact is not yet visible, but the electricity produced by it will equal the electricity needs of the company.

Scope 3 (63,607 tCO₂e) is mainly impacted by purchased goods and product use. The largest emission of CO₂ coming from the purchase of raw materials from foreign suppliers. Since calculating its first carbon footprint, Maurilait has revised its purchasing policy to integrate sustainability indicators.

Suppliers have been assessed against multiple CSR criteria to help refine purchasing decisions. Milk powder suppliers have also been evaluated, and their ratings are shared during Purchasing Committee meetings. However, this assessment was completed after the carbon footprint measurement period, meaning the results are not yet reflected. Additional work is underway to obtain more representative data on each supplier's carbon indices to better guide purchasing decisions.



❖ Energy efficiency

Maurilait successfully renewed its ISO50001 certification. With the installation of a new UHT line this year, which required a long validation process, the electricity consumption per tonne of products produced increased from 0.3 kWh/ton to 0.33 kWh/ton.

❖ Energy transition



Following Maurilait's carbon footprint assessment, the company decided to substantially invest in a solar farm project under the CNIS scheme, partnering with other Ecosia companies **to achieve 100% of its electrical requirement through renewable sources**. This project is still on-going and expecting it to be finalized by 2027.

❖ Awareness



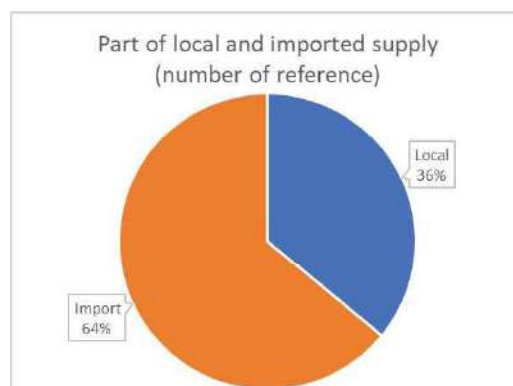
In order to understand climate change and the urgency to act, Maurilait has continued to use the Climate Fresk to increase awareness among its employees. Four internal animators and have **helped raise awareness among more than 76% of employees about climate change**. These workshops have generated understanding and enthusiasm in supporting our actions to reduce our impact on the climate.

• Local and circular economy

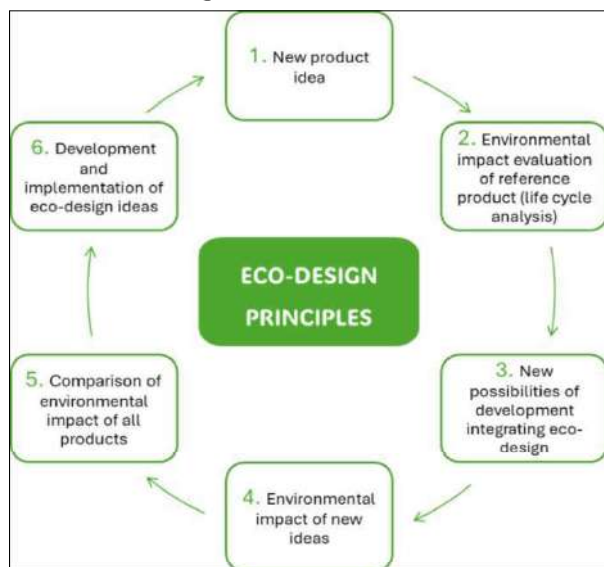
❖ Local purchases

Maurilait, as a founding member of AMM (Association of Mauritian Manufacturers), works closely with local manufacturers to increase their technical expertise and reach the quality level needed to fit our products.

The Sustainable Purchase Policy of Maurilait involves promoting local suppliers, and better know our foreign suppliers, their good practices and strategy towards a more sustainable activity. It also involves shifting raw materials to less impactful and more renewable sources. **A self-evaluation for suppliers has been conducted with a participation level of 74% of all our suppliers. A “sustainability grade” is given to the suppliers and integrated in the yearly supplier evaluation.** Furthermore, this grade will be added to the purchasing committee of critical raw materials such as milk powder.



❖ Eco design



Maurilait has formalised the eco-design approach in its R&D procedures. Based on a 3R principle of Reduce, Replace and Recycle, Maurilait looks at different solutions for new product development to **Reduce** its impact on the environment, **Replace** components in the formula with more sustainable materials, while developing packaging that can be locally **Recycled** and integrated into a circular economy

A life cycle analysis of all its current packaging has been done this year. This established a baseline of the environmental impact our packaging has, thus being able to work with tangible data to integrate this dimension in choices made during the

development of new products. An introduction session has been done with our brand managers to raise awareness and share the new approach.

❖ 0 waste to landfill target

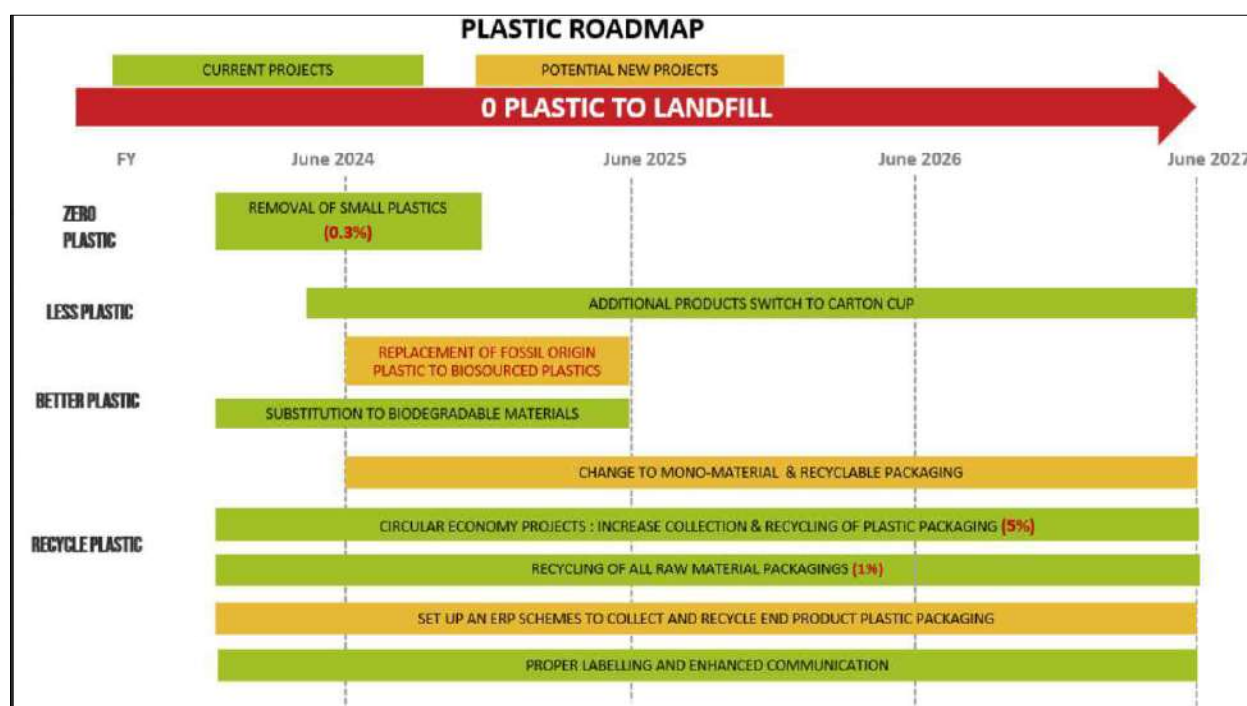
Maurilait has a long-time partnership with Green to sort and recycle its waste. Plastics, cardboard, paper, metal, glass and wood waste are recycled through different channel. This year, **22% of Maurilait's waste have been diverted from the landfill**. A reduction of the part of recycling waste has been observed as the main recycler for milk powders' bag couldn't take it bag this year.

Work is currently being done to identify solutions to reach a target of **Zero Waste to landfill** by 2030 through reduction, reuse and valorising wastes that are not accepted in current recycling facilities.

❖ Plastic transition

Maurilait is committed to reduce and replace plastic, where possible, through investments in state-of-the-art technology. When not possible, we target sustainable plastic solution that can be easily recycled locally.

To guide our future projects regarding plastic management, a roadmap has been put in place to target a zero plastic to landfill goal:



- **Biodiversity and living**

- ❖ **Responsible food**

Clean Label Progress

Maurilait reinforced its *Clean Label* approach by eliminating artificial colorants from the Candy Up flavoured milk range as part of the packaging redesign. Natural colouring has been introduced across several key products. Additionally, six Dahi varieties have transitioned to natural flavourings, with another one currently in progress.

Sugar Reduction Initiatives

Reducing sugar content remains a core priority. During the year, several ranges of products underwent reformulation, with sugar reductions.

Vitamin Enrichment

To address nutritional gaps in the Mauritian diet, Candy Up Vanilla, Almond, and Chocolate are now fortified with Vitamin D, providing 15% of the WHO's Recommended Daily Intake.



Enhancing the Protein Product Portfolio



Maurilait expanded its range of high-protein products, launching a family-size Greek Yogurt Nature and adding new varieties to the Skyr range, meeting growing consumer demand for protein-enriched options.

❖ Ecosystems and biodiversity



This year, Maurilait strengthens its partnerships to promote circular economy and reduce the impact of its packaging on the environment.

In December 2024, Maurilait and two other companies PIM Recycling and SOFAP manufacturing products in PP packaging signed an agreement to purchase a truck to Green Impact. This truck will allow Green Impact to increase its waste collection to be recycled.

The new truck was launched in March 2025.



In April 2025, Maurilait with the partnership of Plastic Odyssey Factories, Mautopia, WeRecycle, High Technloab et BEM Recycling, launch a small unit of grinding, washing and drying of PEHD plastic bottles to be recycled.

This unit, completely made by upcycling older equipment is being given to WeRecycle who will operate it to both ensure soiled plastic bottles can be transformed into resources for the local recyclers and increase awareness to the public.



❖ Water

Water is essential to Maurilait's operations, from milk preparation to equipment cleaning and heating and cooling system. Nearly all water used by Maurilait is sourced from groundwater, making careful stewardship critical. In 2024/25, Maurilait withdrew **149,000 m³** of water, with a majority sourced from groundwater. Water efficiency measures remain a key focus, ensuring that every cubic metre is used responsibly.

Maurilait applies strict monitoring for all wastewater discharges. Effluents undergo on-site pre-treatment at the company's dedicated wastewater treatment plant before being directed to the St Martin treatment plant. Monitoring includes chemical and biological parameters to safeguard receiving environments.



The sodium content in effluent is a challenge, as the more we reduce our water consumption, the more we concentrate sodium in wastewater. Maurilait invested strongly this year to implement sodium reduction projects and will continue to do so with upcoming projects. Three isolated incidents of sodium levels slightly above regulatory thresholds were recorded; corrective actions were promptly implemented, and processes reinforced to avoid recurrence.

A total of **133,014 m³** of treated effluents was discharged into the public sewer system. Discharge quality is monitored regularly, with targeted corrective actions taken where needed to maintain compliance.

Maurilait's **net water consumption** stood at **149,000 m³**, with a calculated **water use ratio of 7.5 m³ per ton of product**. While most of the water withdrawn is treated and returned, initiatives to optimise usage continue to be implemented.

Source of Effluents	Volume Discharged (m ³ /year)	Treatment Performed	Discharge Point	Regulatory Compliance
Production Process	133 014	On-site pre-treatment via a wastewater treatment plant	Sewer to the St Martin treatment plant	3 non-compliance events related to sodium levels during the year

❖ Awareness

No specific activities on biodiversity were held this year. Several awareness sessions and activities are planned for the coming year.

Process

- **Customer satisfaction**

The satisfaction rate of our main client Panagora Company Limited is measured each year through an annual evaluation session. A dedicated meeting is held with all stakeholders to go through the notes and create action plans for continuous improvements of both parties.

To ensure that we fulfil customer's request, our sister company Panagora Company Limited shares the service level reached between orders placed by clients versus product delivered to the latter. We strive to maintain a 95% service level. Although this year has been particularly impacted by the setting up of a new UHT line, the company reached a 94.02% of service level overall.

- **Commitment to total quality and continuous improvement**

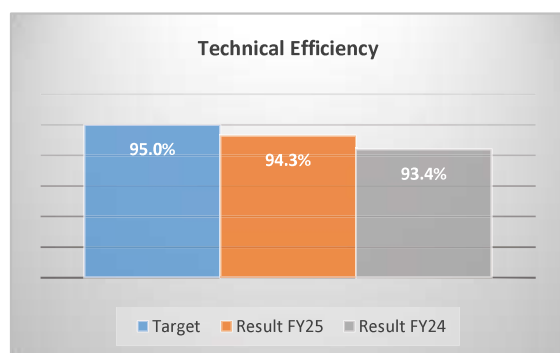
Maurilait is committed to the quality of its products and processes. The Quality department structure was adjusted to better adapt to the context. The setting up of a System Management division, serve to support and better consolidate the process-driven approach within MPL. **This approach notably helps to strengthen our ongoing certifications, which include ISO 22000 and ISO 50001.**

To ensure comprehensive monitoring of the quality of its products and production, Maurilait tracks the number of customer complaints per million units sold (ppm). Continuous improvements and the comprehensive quality program in place have contributed to a steady reduction along the years, with this year results being just above our target.

- **Operational effectiveness**

Industrial productivity is constantly monitored through different performance indicators to improve productivity.

As we endeavour to a better work-life balance for our employees, it is important to monitor machine capacity or efficiency issues.



Maurilait evaluates the performance of its maintenance process by measuring the Technical Efficiency (RT):

- **Innovation**

Product and packaging innovation play crucial roles in driving sustainable manufacturing processes and business growth. These innovations are essential for companies to remain competitive, meet consumer demand, and comply with regulatory requirements.

This year, the Marketing team continued to expand the concept of **Limited Time Offers**. These initiatives help energize the product portfolio and make the brands more dynamic and engaging.



Three new **Yop** varieties were launched, inspired by popular Japanese flavours and the vibrant world of manga. **The packaging artwork was created by a local artist** passionate about this universe.

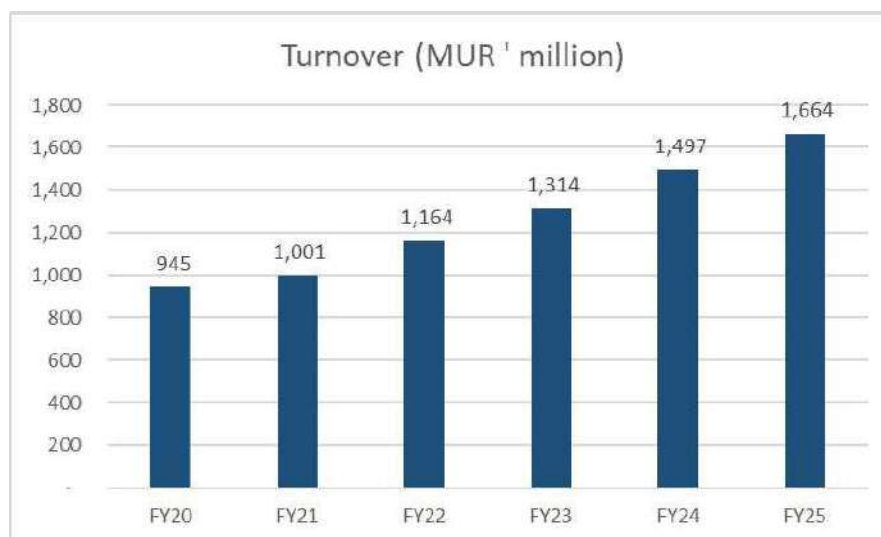
In the same creative spirit, the **Perette** range was extended with a **White Chocolate** flavour, once again highlighting local talent with packaging illustrations designed by a Mauritian artist.



Profit

- **Financial highlights**

Although impacted by operational difficulties linked to installation of new equipment, financial year 2025 confirmed the positive trend of the company's turnover, with revenue increasing by 10% as compared to last year mainly through increased sales volume.



The constant and rigorous **monitoring of its cost of intrants and careful price management has enabled the company to improve its margin percentage** throughout the year. However, the local authorities' actions on salary in an election year have caused financial productivity to be negatively impacted.

Given the size of the Mauritian market and the lead time associated with our main supplying countries, managing a low cash conversion cycle is quite challenging with numerous challenges linked to the global logistic situation. Despite these challenges, the cash conversion cycle has been brought back to normal levels this year after a peak last year.

Committed to sustainable growth and manufacturing processes, the company has invested substantially in new technologies on its main site Mauritius. Through proactive decisions towards financial health improvement, the gearing ratio has been further reduced this year.

- **Share price information**

The share price information is not available as the Company is a private one.

- **Share option plan**

The Company does not have a Share Option Plan.

- **Dividend policy**

The Company has no defined dividend policy as such and pays dividends based on its current profitability and the liquidity requirements of the Company.

Statement of Directors' Responsibilities with respect to financial statements

The Directors acknowledge their responsibilities for:

- (i) Adequate accounting records and maintenance of effective internal control systems.
- (ii) The preparation of financial statements which fairly present the state of affairs of the Group and the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with IFRS Accounting Standards, International Accounting Standards (IAS) and the Companies Act 2001.
- (iii) The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The report of the external auditors confirming that the financial statements are fairly presented is available.

The Directors report that:

- (i) Adequate accounting records and an effective system of internal controls and risks management have been maintained.
- (ii) Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been consistently used.
- (iii) IFRS Accounting standards have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified.
- (iv) All the principles of the Code of Corporate Governance for Mauritius (2016) have been complied with and explanations provided as to how they have been applied. Reasons have been provided in the Statement of Compliance in case of non-compliance with any requirements.
- (v) They consider that the corporate governance report and accounts, which are published in full on the Company's website, taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the Company's position, performance and outlook.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's systems of control. The systems have been designed to provide the directors with reasonable assurance that assets are safeguarded, that transactions are authorized and properly recorded and that there are no material errors and irregularities. An internal audit system is in place to assist management in the effective discharge of its responsibilities, and it is independent of management and reports to the Audit and Risk Committee.

RISK MANAGEMENT

The Directors acknowledge their overall responsibility for maintaining a sound and effective system of internal controls to safeguard the Company's assets and shareholders' interests.

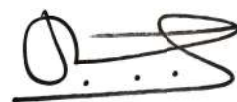
The Board accepts overall responsibility for risk management. Through the Audit and Risk Committee, the Directors are made aware of the risks areas which affect the Company and ensure that Management has taken appropriate measures to mitigate these risks.



Cédric de Spéville

Chairperson

Date: 14 November 2025



Jean Noel Humbert

Director

SECRETARY'S CERTIFICATE - YEAR ENDED JUNE 30, 2025

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the Company under Section 166(d) of the Mauritian Companies Act 2001 for the year ended June 30, 2025.



Sandrine Moussa
Eclosia Secretarial Services Ltd
CORPORATE SECRETARY

Date: 14 November 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maurilait Production Limitée

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Maurilait Production Limitée (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 69 to 134 which comprise the consolidated and separate statements of financial position as at June 30, 2025, 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 material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at June 30, 2025, and of their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and comply with the Mauritian Companies Act 2001.

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 Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Maurilait Production Limitée (Cont'd)

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 IFRS Accounting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and 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 judgment 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 of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of Maurilait Production Limitée (Cont'd)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Cont'd)

- 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.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

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

Other Matter

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 205 of the Mauritian 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.



BDO & Co
Chartered Accountants



Siddhish Jankee, FCCA
Licensed by FRC

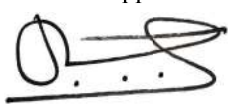
Port Louis,
Mauritius

Date: **November 14, 2025**

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2025

		THE GROUP		THE COMPANY	
	Notes	2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Non-current assets					
Property, plant and equipment	5	922,976,591	956,867,323	810,011,788	819,996,288
Right-of-use assets	6	4,991,694	4,717,865	2,331,924	-
Intangible assets	7	9,588,950	20,098,977	7,603,309	18,028,192
Investment in subsidiary companies	8	-	-	118,580,670	121,780,670
		937,557,235	981,684,165	938,527,691	959,805,150
Current assets					
Inventories	9	386,677,577	301,629,704	330,691,366	245,498,440
Trade receivables	10	199,728,711	156,017,401	167,353,765	125,846,283
Financial assets at amortised cost	11	286,769	399,748	286,769	399,748
Prepayments and other receivables	12	91,457,373	118,723,650	44,159,651	62,851,989
Current tax assets	19	2,380,499	1,039,236	-	-
Cash and cash equivalents	26(b)	4,587,134	24,243,753	2,323,051	16,500,516
		685,118,063	602,053,492	544,814,602	451,096,976
Total assets	Rs.	1,622,675,298	1,583,737,657	1,483,342,293	1,410,902,126
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	13	495,000,000	495,000,000	495,000,000	495,000,000
Other reserves	14	226,803,064	261,470,013	222,209,349	245,948,158
Retained earnings		117,474,720	5,195,655	58,129,843	(65,295,475)
Owners' interest		839,277,784	761,665,668	775,339,192	675,652,683
Non-controlling interests		964,736	722,863	-	-
		840,242,520	762,388,531	775,339,192	675,652,683
LIABILITIES					
Non-current liabilities					
Borrowings	15	164,814,606	214,895,446	159,222,239	192,326,482
Lease liabilities	6A	2,836,538	3,722,509	1,234,832	-
Deferred tax liabilities	16	47,974,794	51,671,875	47,974,794	51,671,875
Retirement benefit obligations	17	42,294,063	40,757,032	42,294,063	40,757,032
		257,920,001	311,046,862	250,725,928	284,755,389
Current liabilities					
Trade and other payables	18	217,349,794	209,592,483	177,864,615	178,468,616
Bank overdraft	26(b)	66,952,234	76,480,325	61,730,958	68,884,779
Borrowings	15	228,558,638	215,117,377	212,801,986	199,968,518
Lease liabilities	6A	3,185,141	1,846,845	1,265,555	-
Current tax liabilities	19	8,466,970	7,265,234	3,614,059	3,172,141
		524,512,777	510,302,264	457,277,173	450,494,054
Total liabilities		782,432,778	821,349,126	708,003,101	735,249,443
Total equity and liabilities	Rs.	1,622,675,298	1,583,737,657	1,483,342,293	1,410,902,126

These financial statements have been approved for issue by the Board of Directors on: 14 November 2025

)
) DIRECTORS
)

Cédric de Spéville

Jean Noel Humbert

The notes on pages 74 to 134 form an integral part of these financial statements.
Independent Auditor's report on pages 68 to 68(b).

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - YEAR ENDED JUNE 30, 2025

	Notes	THE GROUP		THE COMPANY	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Revenue	20	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280
Cost of sales	21	(1,419,989,006)	(1,278,329,364)	(1,226,723,167)	(1,104,135,483)
Gross profit		440,001,143	405,279,298	413,935,200	393,045,797
Other income	23	5,720,470	4,105,045	5,191,198	3,638,596
Impairment loss on investment in subsidiary companies	8	-	-	(3,200,000)	(11,246,000)
Net impairment gain on financial asset	10 (i)	-	6,026,083	-	11,567,484
Administrative expenses	21	(259,158,103)	(228,503,657)	(226,410,617)	(198,979,853)
Other operating costs	21	(57,060,279)	(51,936,469)	(57,060,279)	(51,936,469)
		129,503,231	134,970,300	132,455,502	146,089,555
Finance costs	24	(34,087,600)	(34,772,778)	(28,463,609)	(29,705,071)
Profit before tax		95,415,631	100,197,522	103,991,893	116,384,484
Income tax expense	19	3,690,645	8,154,754	5,978,637	10,088,609
Corporate Social Responsibility	19	(2,142,639)	(3,363,241)	(2,142,639)	(3,363,241)
Profit for the year		96,963,637	104,989,035	107,827,891	123,109,852
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of post employment benefit obligations, net of tax	14	(1,632,255)	1,628,329	(1,632,255)	1,628,329
Gains on revaluation of land, buildings and equipment, net of tax	14	-	88,234,110	-	88,234,110
Effect of change in tax rate on employment benefit obligation		416,646	-	416,646	-
Effect of change in tax rate on revaluation of land and equipment		(5,923,740)	-	(5,923,740)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Currency translation differences	14	(10,968,266)	10,628,812	-	-
Fair value loss on hedging instrument during the period	14	(3,653,596)	-	(3,653,596)	-
Total other comprehensive income for the year		(21,761,211)	100,491,251	(10,792,945)	89,862,439
Total comprehensive income for the yearRs.		75,202,426	205,480,286	97,034,946	212,972,291
Profit attributable to:					
Owners of the parent		96,681,638	104,818,283	107,827,891	123,109,852
Non-controlling interests		281,999	170,752	-	-
		96,963,637	104,989,035	107,827,891	123,109,852
Total comprehensive income attributable to:					
Owners of the parent		74,960,553	205,270,455	97,034,946	212,972,291
Non-controlling interests		241,873	209,831	-	-
		75,202,426	205,480,286	97,034,946	212,972,291

The notes on pages 74 to 134 form an integral part of these financial statements.
Independent Auditor's report on pages 68 to 68(b).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2025

THE GROUP	Note	Attributable to owners' of the parent							Non-controlling interest	Total equity
		Share Capital	Translation reserve	Revaluation reserve	Actuarial (losses)/gains	Cash flow hedging reserve	Retained Earnings	Total		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2024		495,000,000	15,521,855	263,238,959	(17,290,801)	-	5,195,655	761,665,668	722,863	762,388,531
Profit for the year		-	-	-	-	-	96,681,638	96,681,638	281,999	96,963,637
Other comprehensive income for the year	14	-	(10,928,140)	(5,923,740)	(1,215,609)	(3,653,596)	-	(21,721,085)	(40,126)	(21,761,211)
Total comprehensive income for the year		-	(10,928,140)	(5,923,740)	(1,215,609)	(3,653,596)	96,681,638	74,960,553	241,873	75,202,426
Cumulative gain on revaluation of equipment transferred to retained earnings upon disposal		-	-	(15,597,427)	-	-	15,597,427	-	-	-
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal		-	-	2,651,563	-	-	-	2,651,563	-	2,651,563
		-	-	(12,945,864)	-	-	15,597,427	2,651,563	-	2,651,563
Balance at June 30, 2025	Rs.	495,000,000	4,593,715	244,369,355	(18,506,410)	(3,653,596)	117,474,720	839,277,784	964,736	840,242,520
Balance at July 1, 2023		495,000,000	4,932,117	175,004,849	(18,919,130)	-	(90,149,713)	565,868,123	(8,959,878)	556,908,245
Profit for the year		-	-	-	-	-	104,818,283	104,818,283	170,752	104,989,035
Other comprehensive income for the year	14	-	10,589,733	88,234,110	1,628,329	-	-	100,452,172	39,079	100,491,251
Total comprehensive income for the year		-	10,589,733	88,234,110	1,628,329	-	104,818,283	205,270,455	209,831	205,480,286
Transfer		-	-	-	-	-	(9,473,008)	(9,473,008)	9,473,008	-
Change in ownership interest in subsidiaries that do not result in a loss of control		-	5	-	-	-	93	98	(98)	-
		-	5	-	-	-	(9,472,915)	(9,472,910)	9,472,910	-
Balance at June 30, 2024	Rs.	495,000,000	15,521,855	263,238,959	(17,290,801)	-	5,195,655	761,665,668	722,863	762,388,531

The notes on pages 74 to 134 form an integral part of these financial statements.
Independent Auditor's report on pages 68 to 68(b).

SEPARATE STATEMENT OF CHANGES IN EQUITY - YEAR ENDED JUNE 30, 2025

THE COMPANY	Note	Share Capital	Revaluation reserve	Actuarial (losses)/gains	Cash flow hedging reserve	Retained Earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance at July 1, 2024		495,000,000	263,238,959	(17,290,801)	-	(65,295,475)	675,652,683
Profit for the year		-	-	-	-	107,827,891	107,827,891
Other comprehensive income for the year	14	-	(5,923,740)	(1,215,609)	(3,653,596)	-	(10,792,945)
Total comprehensive income for the year		-	(5,923,740)	(1,215,609)	(3,653,596)	107,827,891	97,034,946
Cumulative gain on revaluation of equipment transferred to retained earnings upon disposal		-	(15,597,427)	-	-	15,597,427	-
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal		-	2,651,563	-	-	-	2,651,563
		-	(12,945,864)	-	-	15,597,427	2,651,563
Balance at June 30, 2025		Rs. 495,000,000	244,369,355	(18,506,410)	(3,653,596)	58,129,843	775,339,192
Balance at July 1, 2023		495,000,000	175,004,849	(18,919,130)	-	(188,405,327)	462,680,392
Profit for the year		-	-	-	-	123,109,852	123,109,852
Other comprehensive income for the year	14	-	88,234,110	1,628,329	-	-	89,862,439
Total comprehensive income for the year		-	88,234,110	1,628,329	-	123,109,852	212,972,291
Balance at June 30, 2024		Rs. 495,000,000	263,238,959	(17,290,801)	-	(65,295,475)	675,652,683

The notes on pages 74 to 134 form an integral part of these financial statements.

Independent Auditor's report on pages 68 to 68(b).

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS - YEAR ENDED JUNE 30, 2025

		THE GROUP		THE COMPANY	
	Notes	2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Cash generated from operations	26(a)	159,793,494	337,035,110	128,711,975	344,207,394
Interest paid		(31,522,964)	(34,753,760)	(28,288,809)	(29,705,071)
Interest paid on lease liabilities	6A	(599,818)	(580,662)	(174,800)	-
Income tax and Corporate Social Responsibility paid		(4,761,258)	(2,210,988)	(1,891,821)	(2,466,166)
Net cash generated from from operating activities		122,909,454	299,489,700	98,356,545	312,036,157
Cash flows from investing activities					
Investment in subsidiaries	8	-	-	-	(42,400,000)
Purchase of property, plant and equipment	5	(72,315,513)	(149,381,419)	(66,738,924)	(142,747,894)
Purchase of intangible assets	7	(680,912)	(2,264,131)	-	(2,261,437)
Proceeds from sale of property, plant and equipment		5,520,908	-	5,520,908	-
Net Cash paid due to the settlements of the derivative financial instruments held for for hedging purposes		(3,653,596)	-	(3,653,596)	-
Net cash used in investing activities		(71,129,113)	(151,645,550)	(64,871,612)	(187,409,331)
Cash flows from financing activities					
Principal paid on lease liabilities	6A	(2,739,198)	(2,171,106)	(985,662)	-
Proceeds from bank loans		575,000,000	65,000,000	575,000,000	65,000,000
Proceeds from other loans		335,100,000	60,600,000	335,100,000	60,600,000
Net movement on import loans		73,366,320	(39,047,303)	73,366,320	(39,047,204)
Payments on long-term borrowings		(712,405,899)	(148,289,031)	(696,037,095)	(136,157,162)
Payments on other loans		(307,700,000)	(4,000,000)	(307,700,000)	(4,000,000)
Net cash used in financing activities		(39,378,777)	(67,907,440)	(21,256,437)	(53,604,366)
(Decrease)/Increase in cash and cash equivalents		12,401,564	79,936,710	12,228,496	71,022,460
Movement in cash and cash equivalents					
At July 1,		(52,236,572)	(128,405,285)	(52,384,263)	(116,209,450)
(Decrease)/Increase		12,401,564	79,936,710	12,228,496	71,022,460
Translation difference		(22,530,092)	(3,767,997)	(19,252,140)	(7,197,273)
At June 30,	26(b)	(62,365,100)	(52,236,572)	(59,407,907)	(52,384,263)

The notes on pages 74 to 134 form an integral part of these financial statements.
Independent Auditor's report on pages 68 to 68(b).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

1. GENERAL INFORMATION

Maurilait Production Limitée is a limited liability company incorporated and domiciled in the Republic of Mauritius. Its registered office is at Eclosia Group Headquarters, Gentilly, Moka. Its place of business is situated at Industrial Zone, Phoenix.

The main activity of the Group is the production of yogurt, juice and other dairy products.

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

2. ACCOUNTING POLICIES

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

2.1 Basis of preparation

The financial statements of Maurilait Production Limitée comply with the Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IFRS Accounting Standards").

The financial statements include the consolidated financial statements of the parent company and its subsidiary companies (The Group) and the separate financial statements of the parent (The Company). The financial statements are presented in Mauritian Rupee, except when 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 and buildings and certain plant, machinery and equipment are carried at revalued amounts;
- (ii) The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets
- (iii) Derivative financial instruments are stated at fair value

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IAS 1 *Presentation of Financial Statements*

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. The amendments have no impact on the Group's financial statements.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments have no impact on the Group's financial statements.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)****Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)****IFRS 16 Leases**

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments have no impact on the Group's financial statements.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments have no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2025 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2025**IAS 21 The Effects of Changes in Foreign Exchange Rates**

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Effective date January 1, 2026**IFRS 9 Financial Instruments & IFRS 7 Financial Instruments: Disclosures**

Classification and Measurement of Financial Instruments: The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets with ESG linked features via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. Also, additional disclosures have been introduced for financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

Contracts Referencing Nature-dependent Electricity: The amendments clarify how IFRS 9 should be applied to power purchase agreements with specific characteristics. The amendments include clarification on the application of the 'own-use' requirements and permitting hedge accounting if these contracts are used as hedging instruments. New disclosure requirements have also been included to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)****Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)****Effective date January 1, 2027****IFRS 18 Presentation and Disclosure in Financial Statements**

Presentation and disclosure in financial statements: IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals presented within the statement of profit or loss within one of the following five categories – operating, investing, financing, income taxes, and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, it brings about consequential amendments to other accounting standards. This standard replaces IAS 1 - Presentation of Financial Statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

Subsidiaries without Public Accountability: Disclosures: IFRS 19 is a non-mandatory standard. It specifies the disclosure requirements that eligible subsidiaries are permitted to apply instead of the disclosure requirements in other IFRS accounting standards. It allows eligible entities to benefit from reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent, intermediate parent or ultimate parent company produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The effective date of this amendment has been deferred indefinitely until further notice**IFRS 10 Consolidated Financial Statements**

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Group is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. ACCOUNTING POLICIES (CONT'D)

2.2 Property, plant and equipment

Land and buildings are stated at their fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment losses for buildings. The gross carrying amount of the asset is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between them gross carrying amount and the carrying amount of the asset. Certain plant and machinery and equipment which meet certain criteria and considered as core assets, are also stated at their fair values less depreciation and impairment losses. All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. 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 revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity; all other decreases are charged to profit or loss.

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:

	Annual rates
Buildings	2.5%
Tools and cylinder costs	10%-33.3%
Equipment	5%-14%
Computer equipment	25%-33.3%
Furniture & fittings	10%-15%
Vehicles	20%

Freehold land is not depreciated.

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

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss and other comprehensive income. On disposal of revalued assets, the amounts included in revaluation reserve relating to that asset are transferred to retained earnings.

2.3 Intangible assets

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 of 3 to 7 years.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. ACCOUNTING POLICIES (CONT'D)**2.3 Intangible assets (cont'd)***Computer software (cont'd)*

Costs associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software controlled by the Group and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employees' costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

Franchise and development cost

Franchise and development costs are shown at historical cost, have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over their estimated useful lives.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

2.4 Investment in subsidiaries*Separate financial statements of the investor*

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

Consolidated financial statements

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

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 interest 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 Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss and other comprehensive income.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Investment in subsidiaries***Consolidated financial statements (cont'd)*

Inter-Group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also 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 amount 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 asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.5 Financial assets*(i) Recognition and initial measurement*

Financial assets are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets 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 at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The Group determines the classification at initial recognition. The Group classifies its financial assets as financial assets at amortised cost.

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

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (cont'd)

Financial assets- Solely Payments of principal and interest (SPPI)

Under IFRS 9, the SPPI test requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding i.e. cash flows that are consistent with a basic lending arrangement.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. Liquidity risks and administrative cost), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse arrangement); and
- features that modify consideration of the time value of money - e.g. periodical reset of interest rates.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to the expected credit loss requirements.

Financial assets- Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to management; and
- the risks that affect the performance of the business model, the financial assets held within that business model and its strategy for how those risks are managed.

The Group has determined that it has one business model which is held to collect. This includes cash and cash equivalents, trade and other receivables and financial assets at amortised cost. These assets are held to collect contractual cash flows.

Impairment provisions for receivables from related parties, loans to related parties and employees are recognised based on a forward looking expected credit loss model in accordance with the general approach within IFRS 9. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial assets (cont'd)

Financial assets- Business model assessment (cont'd)

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group determines that a financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due the agreed credit term; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Cash and cash equivalents, for the purpose of the statement of cash flow, include cash in hand and bank overdrafts.

Write-off

The gross carrying amount of a financial asset is written off when the Group have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

The Group's financial assets measured at amortised cost comprise trade and other receivables, financial assets at amortised cost and cash and cash equivalents in the statements of financial position.

(iii) Derecognition of financial assets

The Group de-recognises a financial asset when:

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

Where the Group has transferred their rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred their control, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Any interest in transferred financial assets that qualifies for derecognition that is created or retained by the Group is recognised as a separate asset or liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.5 Financial assets (cont'd)***(iii) Derecognition of financial assets (cont'd)*

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

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards.

(iv) Modification of financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (see (iii)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the debtor is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria is not usually met in such cases.

If the modification of a financial asset measured at amortised cost does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the debtor, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the terms and conditions of the financial asset are not substantially different, the Group recalculates the new gross carrying amount of the financial asset by discounting the modified cash flows of the financial asset using the original effective interest rate (EIR). The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss in profit or loss.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Financial liabilities

(i) Recognition and initial measurement

Financial liabilities initially recognised at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue, when the Group becomes a party to the contractual provisions of the instrument. Other financial liabilities are recognised on the date on which they are originated.

(ii) Classification and subsequent measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains are recognised in profit or loss. The Group's financial liabilities include other payables which are measured at amortised cost.

(iii) Derecognition

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

(iv) Modifications of financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Current and deferred income tax

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

Current tax

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Current and deferred income tax (cont'd)

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 relating are recognised to the extent that future taxable profit will be available against which deductible temporary differences can be utilised.

Corporate Social Responsibility

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

Corporate Social Responsibility

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

Corporate Climate Responsibility Levy (CCR Levy)

The Corporate Climate Responsibility Levy (CCR Levy) was introduced under the Finance Act 2024, effective from the year of assessment beginning 1 July 2024. This levy is designed to support national efforts in protecting, managing, investing in, and restoring Mauritius' natural ecosystem, as well as addressing the impacts of climate change. The CCR Levy applies to companies with a turnover exceeding MUR 50 million and is imposed at a rate of 2% on chargeable income.

2.9 Inventories

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

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

- Raw materials and consumables, spare parts and goods in transit - purchased cost on an average cost basis;
- Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Retirement benefit obligations

(a) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

(b) Defined benefit plans

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

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 method.

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

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

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

(c) Gratuity on retirement

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

2.11 Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.11 Foreign currencies (cont'd)****(ii) Transactions and balances (cont'd)**

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

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

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

Translation differences on non-monetary items, such as equities classified as financial assets at fair value through OCI, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (b) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates;
- (c) all resulting exchange differences are recognised in other comprehensive income.

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

When a foreign operation is sold, such exchange differences are recognised in the statement of profit or loss and other comprehensive income as part of the gain or loss on sale.

2.12 Impairment of non-financial assets

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

2.13 Borrowing costs

Borrowing 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.

Other borrowing costs are expensed.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.14 Revenue recognition***Revenue from contracts with customers**Performance obligations and timing of revenue recognition*

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. 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 (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price

Revenue is 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

There is a fixed unit price for each product sold. 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).

Other revenues earned by the Group are recognised on the following basis:

- Interest income is calculated by applying effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.

2.15 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.16 Dividend distribution

Dividend distribution to the company's shareholders is recognised in the financial statements in the period in which the dividends are declared.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases

Identifying leases

The Group accounts 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 obtains substantially all the economic benefits from use of the asset; and
- (c) The Group has the right to direct use of the asset.

The Group considers 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 obtains substantially all the economic benefits from the use of the asset, the Group considers 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 has the right to direct use of the asset, the Group considers 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/Company 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 applies 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 rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the 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.

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 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 is 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Leases (cont'd)

Identifying leases (cont'd)

When the Group revises 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 renegotiates 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 or 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 to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not 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.

2.18 Non-current assets held for sale

Non-current assets (or disposal groups) 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 (or disposal group) is available for immediate sale in its present condition.

2.19 Hedge accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge;
- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not dominate the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.19 Hedge accounting (cont'd)***(i) Cash flow hedges*

The effective part of forward contracts designated as a hedge of the variability in cash flows of foreign currency risk arising from firm commitments, and highly probable forecast transactions, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The Group uses such contracts to fix the cost of equipment, inventories and services, and the income from foreign currency sales, in the functional currency of the entity concerned.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired ("basis adjustment"). The same approach is followed where a cash flow hedge of a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied. Otherwise the cumulative gain or loss recognised in other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

If a forecast transaction is no longer considered highly probable but the forecast transaction is still expected to occur, the cumulative gain or loss recognised in other comprehensive income is frozen and recognised in profit or loss in accordance with the policy set out in the paragraph above. Subsequent changes in the fair value of the derivative are recognised in profit or loss. If the Group closes out its position before the transaction takes place (even though it is still expected to take place) the cumulative gain or loss on changes in fair value of the derivative is similarly recognised in accordance with the policy set out in the paragraph above. If, at any point, the hedged transaction is no longer expected to occur, the cumulative gain or loss is reclassified from the cash flow hedge reserve to profit or loss immediately.

The effective portion of gains and losses on derivatives used to manage cash flow interest rate risk (such as floating to fixed interest rate swaps) are also recognised in other comprehensive income and accumulated in the cash flow hedge reserve. However, if the Group closes out its position early, the cumulative gains and losses recognised in other comprehensive income are frozen and reclassified from the cash flow hedge reserve to profit or loss using the effective interest method. The ineffective portion of gains and losses on derivatives used to manage cash flow interest rate risk are recognised in profit or loss within finance expense or finance income.

(ii) Fair value hedges

Where derivatives are used to hedge the Group's exposure to fair value interest rate risk (such as fixed to floating rate swaps), the hedged item is remeasured to take into account the gain or loss attributable to the hedged risk (in the case of a fixed rate loan, the hedged risk is changes in the fair value of interest rates) with the gains or losses arising recognised in profit or loss. This offsets the gain or loss arising on the hedging instrument which is measured at fair value through profit or loss.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.20 Current versus non-current classification**

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

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

A liability is current when:

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

2.21 Administrative expense recognition

Administrative expense is recognised as incurred and recorded in the financial statements on an accruals basis to reflect the period to which they relate.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

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

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

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

Categories of financial instruments

30 June 2025

	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
At amortised cost				
Trade receivables	199,728,711	-	167,353,765	-
Other financial assets at amortised cost	286,769	-	286,769	-
Other receivables	12,032,779	-	397,437	-
Cash and cash equivalents	4,587,134	-	2,323,051	-
Borrowings	-	393,373,244	-	372,024,225
Bank overdraft	-	66,952,234	-	61,730,958
Lease liabilities	-	6,021,679	-	2,500,387
Trade and other payables	-	217,349,794	-	177,864,615
	216,635,393	683,696,951	170,361,022	614,120,185

30 June 2024

	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
At amortised cost				
Trade receivables	156,017,401	-	125,846,283	-
Other financial assets at amortised cost	399,748	-	399,748	-
Other receivables	7,268,735	-	593,971	-
Cash and cash equivalents	24,243,753	-	16,500,516	-
Borrowings	-	430,012,823	-	392,295,000
Bank overdraft	-	76,480,325	-	68,884,779
Lease liabilities	-	5,569,354	-	-
Trade and other payables	-	209,592,483	-	178,468,616
	187,929,637	721,654,985	143,340,518	639,648,395

(a) **Market risk**

(i) **Currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD/EUR/ZAR/MGA.

Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations. Management has policies set up to require Group companies to manage their foreign exchange risk with Treasury.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

- (a) **Market risk (cont'd)**
(i) **Currency risk (cont'd)**

The Group has investments in Madagascar and the net assets of the respective subsidiaries are exposed to foreign currency translation risk.

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

THE GROUP

	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	168,037,971	493,252,033	140,779,265	495,812,467
EUR	549,027	111,765,887	1,770,793	128,904,050
USD	234,186	12,623,557	240,798	9,759,073
MGA	46,274,371	66,055,474	44,589,119	82,006,590
ZAR	1,539,838	-	549,662	5,172,805
	216,635,393	683,696,951	187,929,637	721,654,985

THE COMPANY

	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
MUR	168,037,971	489,730,741	140,779,265	495,812,467
EUR	234,186	111,765,887	1,770,793	128,904,050
USD	549,027	12,623,557	240,798	9,759,073
ZAR	1,539,838	-	549,662	5,172,805
	170,361,022	614,120,185	143,340,518	639,648,395

The following table demonstrates the sensitivity of the Group's profit before tax of a 10% (based on historical observations) change in the foreign currency rates. This exercise is based on revalued foreign currency balances at year end.

	THE GROUP		THE COMPANY	
<u>Impact on pre-tax profit</u>	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
	+/-10%	+/-10%	+/-10%	+/-10%
EUR	(9,008,566)	(10,552,060)	(9,034,068)	(10,552,060)
USD	(1,003,539)	(790,017)	(978,037)	(790,017)
MGA	(1,602,269)	(3,105,650)	-	-
ZAR	124,727	(383,721)	124,727	(383,721)

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. To mitigate the risk, the Group monitors its cash flow and can repay its loan in advance on availability of excess cash.

The Group's interest-rate risk arises from long-ter borrowings. Borrowings issued at variable rates expose the Group's to cash flow interest-rate risk. At June 30, 2025, a change in interest rates with all other variables held constant, it is not expected that it will have a material impact on post-tax profit for the year.

(c) Credit risk

Credit and counterparty risk refers to the effects on future cash flows and earnings of receivables defaulting of their obligations. Such risk arises primarily from cash and cash equivalents and trade receivables.

These exposures are managed through prudent credit exposure limits, constantly measuring current credit exposures, estimating maximum potential credit exposures that may arise over the duration of a transaction, and responding quickly when corrective action that needs to be taken.

For cash and cash equivalents the credit risk is managed by the Group by way of trading with only reputable banks and financial institutions. Unless otherwise indicated, the maximum exposure to credit risk is the carrying amount of cash and cash equivalents.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current economic environment. The risk is managed at each Company's level whereby risk control assesses the credit quality of customers, taking into account financial position and other factors. The group has one major counterparty which is a related party, and the credit risk towards the counterparty is considered low.

Credit concentration

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	%	%	%	%
Major counterparty - related party	84%	81%	97%	97%
Others	16%	19%	3%	3%
	100%	100%	100%	100%

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets as disclosed below:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs	Rs	Rs	Rs
Trade receivables	199,728,711	156,017,401	167,353,765	125,846,283
Financial assets at amortised cost	286,769	399,748	286,769	399,748
Other receivables (excluding prepayment)	12,032,779	7,268,735	397,437	593,971
Cash and cash equivalents	4,587,134	24,243,753	2,323,051	16,500,516
	216,635,393	187,929,637	170,361,022	143,340,518

There was no collateral held as security with regards to the above financial assets.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(d) Liquidity risk management

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

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

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

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

<u>THE GROUP</u>	Less than 1 year Rs.	Between 1 and 5 years Rs.	More than 5 years Rs.	Total Rs.
<u>At June 30, 2025</u>				
Bank loans	158,262,294	113,160,223	88,728,160	360,150,677
Bank overdraft	66,952,234	-	-	66,952,234
Import loans	92,162,960	-	-	92,162,960
Trade and other payables	217,349,794	-	-	217,349,794
Lease liability	3,560,329	2,443,067	-	6,003,396
Current tax liability	8,466,970	-	-	8,466,970
Other loans	88,000,000	-	-	88,000,000
	634,754,581	115,603,291	88,728,160	839,086,031
<u>At June 30, 2024</u>				
Bank loans	167,448,761	138,310,224	124,251,562	430,010,547
Bank overdraft	76,480,325	-	-	76,480,325
Import loans	18,796,640	-	-	18,796,640
Trade and other payables	209,592,483	-	-	209,592,483
Lease liability	2,294,479	4,056,981	-	6,351,460
Current tax liability	7,265,234	-	-	7,265,234
Other loans	60,600,000	-	-	60,600,000
	542,477,923	142,367,205	124,251,562	809,096,690
<u>THE COMPANY</u>	Less than 1 year Rs.	Between 1 and 5 years Rs.	More than 5 years Rs.	Total Rs.
<u>At June 30, 2025</u>				
Bank loans	142,505,642	107,567,856	88,728,160	338,801,657
Bank overdraft	61,730,958	-	-	61,730,958
Import loans	92,162,960	-	-	92,162,960
Trade and other payables	177,864,615	-	-	177,864,615
Lease liability	1,389,876	783,714	-	2,173,590
Current tax liability	3,614,059	-	-	3,614,059
Other loans	88,000,000	-	-	88,000,000
	567,268,110	108,351,570	88,728,160	764,347,839

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(d) Liquidity risk management (cont'd)

THE COMPANY (CONT'D)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
<u>At June 30, 2024</u>	Rs.	Rs.	Rs.	Rs.
Bank loans	152,299,902	114,550,095	124,251,562	391,101,559
Bank overdraft	68,884,779	-	-	68,884,779
Import loans	18,796,640	-	-	18,796,640
Trade and other payables	178,468,616	-	-	178,468,616
Current tax liability	3,172,141	-	-	3,172,141
Other loans	60,600,000	-	-	60,600,000
	<u>482,222,078</u>	<u>114,550,095</u>	<u>124,251,562</u>	<u>721,023,735</u>

(e) Hedge ineffectiveness

The Group is exposed to price risk on the purchase of equipment. The Group hedges these exposures by entering intop swap contracts ('hedging instruments') that will match the terms of the equipment ('hedged item'). To apply hedge accounting, a condition is that the forecast transaction must be 'highly probable'. The Group has applied judgement in assessing whether the hedge ineffectiveness is highly probable.

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

3.3 Capital risk management

The Group's objectives when managing capital are:

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

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

Consistently with others in the industry, the Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt adjusted capital. Net debt is calculated as total debt less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, retained earnings and revaluation and other reserves).

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.3 Capital risk management (cont'd)

During 2025, the Group's strategy, which was unchanged from 2024, was to monitor the debt-to-adjusted capital ratio in order to secure access to finance at a reasonable cost.

The debt-to-adjusted capital ratios at June 30, 2025 and at June 30, 2024 were as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Total debt (note 15)	393,373,244	430,012,823	372,024,225	392,295,000
Bank overdraft	66,952,234	76,480,325	61,730,958	68,884,779
Lease liabilities (note 6A)	6,021,679	5,569,354	2,500,387	-
Less: cash at bank	(4,587,134)	(24,243,753)	(2,323,051)	(16,500,516)
Net debt	461,760,023	487,818,749	433,932,519	444,679,263
Total equity	840,242,520	762,388,531	775,339,192	675,652,683
Debt-to-equity ratio	0.55:1	0.64:1	0.56:1	0.66:1

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Pension benefits

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

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

Other key assumptions for pension obligations are based in part on current market conditions.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.1 Critical accounting estimates and assumptions (cont'd)****(c) Revaluation of property, plant and equipment**

The Group carries land and buildings and core equipment at revalued amounts with changes in fair value being recognised in other comprehensive income.

The fair value of land and buildings were assessed as at June 30, 2023 by the Directors based on a report from the independent valuer, Elevante Property Services. The fair value of core equipment were assessed as at June 30, 2024 by the Directors based on a report from the independent valuer, Engineering Technical and Management Services Ltd.

Because of inherent uncertainty in the market conditions, those estimates may differ from actual values.

(d) 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 disposal of similar assets.

(e) Impairment of assets

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

Investment in subsidiary is considered for impairment whenever events or circumstances indicate that impairment may be necessary. An impairment loss is recognised for the amount by which the investment's carrying value exceeds its recoverable amount.

The recoverable amount represents the value in use which is determined through the calculation of the estimated future cash flows of the subsidiary prepared by management covering a period of 5 years. This requires making estimates and assumptions about the future and any changes could affect the recoverable amount of the investment. The main assumptions and judgements relate to the discount rate and growth rate. The growth in revenue is based on management best estimates on the future sales strategy and general economic conditions.

(f) Valuation of inventories

Stock is valued at the lower of cost and net realisable value. Determining the net realisable value involves a degree of judgement and are based on the most reliable evidence available at the time the estimates are made, of the amount the stock is expected to realise.

(g) Net investment in foreign operation

The Company has receivable from its overseas subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future, thus qualifies at 'net investment in foreign operations' and included under investment in subsidiary.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**4.1 Critical accounting estimates and assumptions (cont'd)****(h) 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.

(i) Lease

Lease arrangements contain extension and termination options. Management has applied judgement to determine whether these options will be exercised and for how long. Management has also applied a degree of judgement to arrive at the discount rate, which is the incremental borrowing rate defined as the rate the Group would have to pay over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Going concern

The Group's/Company's Board has made an assessment of the Group's/Company's ability to continue as a going concern and is satisfied that the Group's/Company's have the resources to continue in business for the foreseeable future supported by a comfortable cashflow position and a sustainable profitability. The Board is not aware of any material uncertainties that may cast significant doubt upon the Group's/Company's ability to continue as a going concern. Therefore, the separate financial statements have been prepared on a going concern basis.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land	Freehold buildings	Tools and cylinder costs	Assets in progress	Equipment	Computer equipment	Furniture and fittings	Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) COST OR VALUATION									
At July 1, 2024	103,200,000	275,046,100	80,471,433	141,934,705	1,464,779,525	20,119,099	17,665,833	2,068,577	2,105,285,272
Additions	-	1,305,671	8,075,335	48,106,152	11,437,974	2,051,853	633,861	704,667	72,315,513
Disposal	-	-	(915,000)	-	(95,476,977)	-	-	-	(96,391,977)
Transfer from asset in progress	-	1,351,090	-	(148,814,946)	147,289,910	173,946	-	-	-
Translation difference				(68,453)	(11,941,940)	(130,291)	(141,398)	(111,815)	(12,393,897)
At June 30, 2025	103,200,000	277,702,861	87,631,768	41,157,458	1,516,088,492	22,214,607	18,158,296	2,661,429	2,068,814,911
DEPRECIATION									
At July 1, 2024	-	105,192,676	67,370,367	-	945,334,863	16,647,116	12,825,119	1,047,808	1,148,417,949
Charge for the year	-	6,905,094	5,603,950	-	79,954,807	1,746,323	1,368,106	305,532	95,883,812
Disposal adjustment	-	-	(914,980)	-	(92,497,079)	-	-	-	(93,412,059)
Translation difference	-	-	-	-	(4,864,286)	(79,377)	(49,975)	(57,744)	(5,051,382)
At June 30, 2025	-	112,097,770	72,059,337	-	927,928,305	18,314,062	14,143,250	1,295,596	1,145,838,320
NET BOOK VALUE									
At June 30, 2025	Rs. 103,200,000	165,605,091	15,572,431	41,157,458	588,160,187	3,900,545	4,015,046	1,365,833	922,976,591

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Freehold land	Freehold buildings	Tools and cylinder costs	Assets in progress	Equipment	Computer equipment	Furniture and fittings	Vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(b) COST OR VALUATION									
At July 1, 2023	103,200,000	274,000,000	75,258,006	22,959,753	1,094,979,199	18,314,627	16,924,910	1,619,887	1,607,256,382
Additions	-	70,000	343,102	142,587,681	5,144,780	774,601	124,279	336,976	149,381,419
Disposal	-	-	-	-	-	(42,100)	(30,910)	-	(73,010)
Transfer from asset in progress	-	976,100	4,870,325	(23,682,136)	16,383,720	943,741	508,250	-	-
Revaluation Surplus	-	-	-	-	336,349,316	-	-	-	336,349,316
Translation difference	-	-	-	69,407	11,922,510	128,230	139,304	111,714	12,371,165
At June 30, 2024	103,200,000	275,046,100	80,471,433	141,934,705	1,464,779,525	20,119,099	17,665,833	2,068,577	2,105,285,272
DEPRECIATION									
At July 1, 2023	-	98,300,000	61,349,874	-	641,238,364	15,210,254	11,488,641	650,348	828,237,481
Charge for the year	-	6,892,676	6,020,493	-	69,274,035	1,401,305	1,312,696	340,924	85,242,129
Disposal adjustment	-	-	-	-	-	(42,100)	(30,910)	-	(73,010)
Revaluation Adjustments	-	-	-	-	230,043,159	-	-	-	230,043,159
Translation difference	-	-	-	-	4,779,305	77,657	54,692	56,536	4,968,190
At June 30, 2024	-	105,192,676	67,370,367	-	945,334,863	16,647,116	12,825,119	1,047,808	1,148,417,949
NET BOOK VALUE									
At June 30, 2024	Rs. 103,200,000	169,853,424	13,101,066	141,934,705	519,444,662	3,471,983	4,840,714	1,020,769	956,867,323

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

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

THE COMPANY	Freehold land	Freehold buildings	Tools and cylinder costs	Assets in progress	Equipment	Computer equipment	Furniture and fittings	Motor vehicles	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(c) COST OR VALUATION									
At July 1, 2024	103,200,000	275,046,113	80,471,433	140,643,882	1,244,188,469	17,743,909	15,088,010	-	1,876,381,816
Additions	-	1,305,671	8,075,335	47,421,734	7,610,268	1,540,249	81,000	704,667	66,738,924
Disposal	-	-	(915,000)	-	(95,476,977)	-	-	-	(96,391,977)
Transfer from asset in progress	-	1,351,090	-	(147,775,274)	146,250,238	173,946	-	-	-
At June 30, 2025	103,200,000	277,702,874	87,631,768	40,290,342	1,302,571,998	19,458,104	15,169,010	704,667	1,846,728,763
DEPRECIATION									
At July 1, 2024	-	105,192,676	67,370,367	-	856,802,040	15,208,488	11,811,957	-	1,056,385,528
Charge for the year	-	6,905,094	5,603,950	-	58,782,692	1,312,367	1,131,129	8,274	73,743,506
Disposal adjustment	-	-	(914,980)	-	(92,497,079)	-	-	-	(93,412,059)
At June 30, 2025	-	112,097,770	72,059,337	-	823,087,653	16,520,855	12,943,086	8,274	1,036,716,975
NET BOOK VALUE									
At June 30, 2025 Rs.	103,200,000	165,605,104	15,572,431	40,290,342	479,484,345	2,937,249	2,225,924	696,393	810,011,788

Borrowings are secured by floating charges on assets of the company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

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

THE COMPANY	Freehold land	Freehold buildings	Tools and cylinder costs	Assets in progress	Equipment	Computer equipment	Furniture and fittings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(d) COST OR VALUATION								
At July 1, 2023	103,200,000	274,000,000	75,258,006	22,959,756	890,733,870	16,595,314	14,610,670	1,397,357,616
Additions	-	70,013	343,102	141,366,262	721,563	246,954	-	142,747,894
Revaluation surplus	-	-	-	-	336,349,316	-	-	336,349,316
Disposal	-	-	-	-	-	(42,100)	(30,910)	(73,010)
Transfer from asset in progress	-	976,100	4,870,325	(23,682,136)	16,383,720	943,741	508,250	-
At June 30, 2024	103,200,000	275,046,113	80,471,433	140,643,882	1,244,188,469	17,743,909	15,088,010	1,876,381,816
DEPRECIATION								
At July 1, 2023	-	98,300,000	61,349,874	-	578,225,823	14,202,795	10,773,974	762,852,466
Charge for the year	-	6,892,676	6,020,493	-	48,533,058	1,047,793	1,068,893	63,562,913
Revaluation surplus	-	-	-	-	230,043,159	-	-	230,043,159
Disposal adjustment	-	-	-	-	-	(42,100)	(30,910)	(73,010)
At June 30, 2024	-	105,192,676	67,370,367	-	856,802,040	15,208,488	11,811,957	1,056,385,528
NET BOOK VALUE								
At June 30, 2024	Rs. 103,200,000	169,853,437	13,101,066	140,643,882	387,386,429	2,535,421	3,276,053	819,996,288

Borrowings are secured by floating charges on assets of the company.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

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

- (e) In 2023, land and buildings have been revalued by an independent external valuer, Elevante Property Services Ltd on the basis of sales comparison approach and depreciated replacement cost respectively. The sales comparison approach involves comparing sales prices of land in close proximity adjusted for differences in key attributes such as property size. The cost approach used for revaluation of buildings reflects the cost to a market participant to construct assets of comparable utility and age and is adjusted for obsolescence and physical deterioration.

In 2024, the Company's core equipment were revalued on the basis of fair market value - installed which involves calculating a replacement cost from recent price references and adjusting for depreciation attributable to the asset as of the date of the valuation. The valuation was performed by Engineering Technical and Management Services Ltd, an independent valuer. The revaluation surplus net of deferred income taxes was credited to revaluation surplus in shareholders' equity.

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

		THE GROUP AND THE COMPANY	
		Level 2	Level 3
		Rs.	Rs.
June 30, 2025			
Freehold land		103,200,000	-
Freehold building		-	165,605,104
Equipment		-	302,885,518
	Rs.	<u>103,200,000</u>	<u>468,490,622</u>
		THE GROUP AND THE COMPANY	
		Level 2	Level 3
		Rs.	Rs.
June 30, 2024			
Freehold land		103,200,000	-
Freehold building		-	169,853,424
Equipment		-	349,946,130
	Rs.	<u>103,200,000</u>	<u>519,799,554</u>

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

The most significant input into the valuation approach for land and buildings was the price per square metre.

	Range (Rs)
Price per square metre	
Land	4,578 - 4,581
Building	25,000 - 45,000

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

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

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

THE GROUP & THE COMPANY	Land		Buildings	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cost	19,236,435	19,236,435	122,896,614	175,492,110
Accumulated depreciation	-	-	(57,049,218)	(52,595,496)
Net book value	19,236,435	19,236,435	65,847,396	122,896,614

	THE GROUP		THE COMPANY	
	Equipment		Equipment	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cost	752,218,084	716,506,544	696,241,643	653,455,541
Accumulated depreciation	(561,798,307)	(524,187,403)	(505,821,853)	(471,009,771)
Net book value	190,419,777	192,319,141	190,419,790	182,445,770

(g) Depreciation expense charged in cost of sales and administrative expenses are as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cost of sales	65,517,771	55,622,095	65,517,771	55,622,095
Administrative expenses	30,366,041	29,620,034	8,225,735	7,940,818
	95,883,812	85,242,129	73,743,506	63,562,913

(h) The fair value measurements of core equipment, using significant unobservable inputs are as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
At July 1,	349,946,130	266,906,127
Additions	-	9,134,482
Disposal	(2,760,407)	-
Depreciation charge	(44,300,205)	(32,400,635)
Revaluation adjustment	-	106,306,156
At June 30,	302,885,518	349,946,130

6. RIGHT-OF-USE-ASSETS

THE GROUP	Equipment	Motor vehicle	Land and Building	Total
	Rs.	Rs.	Rs.	Rs.
	Rs.	Rs.	Rs.	Rs.
At July 1, 2024	-	-	4,717,865	4,717,865
Additions	3,228,513	257,536	-	3,486,049
Amortisation	(1,039,665)	(114,460)	(1,809,804)	(2,963,929)
Foreign exchange movements	-	-	(248,291)	(248,291)
At June 30, 2025	2,188,848	143,076	2,659,770	4,991,694

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

6. RIGHT-OF-USE-ASSETS (CONT'D)

<u>THE GROUP (CONT'D)</u>	Land and Building	Total 2024
	Rs.	Rs.
At July 1, 2023	3,688,553	3,688,553
Effect of modification to lease term	2,578,142	2,578,142
Amortisation	(1,803,617)	(1,803,617)
Foreign exchange movements	254,787	254,787
At June 30, 2024	4,717,865	4,717,865

<u>THE COMPANY</u>	Equipment	Motor vehicle	Total 2025
	Rs.	Rs.	Rs.
At July 1, 2024	-	-	-
Additions	3,228,513	257,536	3,486,049
Amortisation	(1,039,665)	(114,460)	(1,154,125)
At June 30, 2025	2,188,848	143,076	2,331,924

6A. LEASE LIABILITIES

<u>THE GROUP</u>	Equipment	Motor vehicle	Land and Building	Total 2025
	Rs.	Rs.	Rs.	Rs.
At July 1, 2024	-	-	5,569,354	5,569,354
Additions	3,228,513	257,536	-	3,486,049
Interest expense	159,714	15,086	425,018	599,818
Lease payments	(1,049,166)	(111,296)	(2,178,554)	(3,339,016)
Foreign exchange movements	-	-	(294,526)	(294,526)
At June 30, 2025	2,339,061	161,326	3,521,292	6,021,679
Current	1,137,573	127,982	1,919,586	3,185,141
Non current	1,201,488	33,344	1,601,706	2,836,538
	2,339,061	161,326	3,521,292	6,021,679

	Land and Building	Total 2024
	Rs.	Rs.
At July 1, 2023	4,280,905	4,280,905
Additions	2,688,232	2,688,232
Interest expense	580,662	580,662
Lease payments	(2,171,106)	(2,171,106)
Foreign exchange movements	190,661	190,661
At June 30, 2024	5,569,354	5,569,354
Current	1,846,845	1,846,845
Non current	3,722,509	3,722,509
	5,569,354	5,569,354

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

6A. LEASE LIABILITIES (CONT'D)

<u>THE COMPANY</u>	Equipment	Motor vehicle	Total 2025
	Rs.	Rs.	Rs.
At July 1, 2024	-	-	-
Additions	3,228,513	257,536	3,486,049
Interest expense	159,714	15,086	174,800
Lease payments	(1,049,166)	(111,296)	(1,160,462)
At June 30, 2025	2,339,061	161,326	2,500,387
Current	1,137,573	127,982	1,265,555
Non current	1,201,488	33,344	1,234,832
	2,339,061	161,326	2,500,387

(a) Nature of leasing activities (in the capacity as lessee)

The Company lease six equipments and one motor vehicle from third parties which is used for operating activities. The rental agreements varies between 24 months to 60 months. The lease rentals are fixed payments over the lease terms.

The subsidiary companies lease properties from third parties where they conduct their activities. The rental agreement is for a period of ten years ending September 1, 2027 and April 1, 2027. Some lease rentals are fixed payments over the lease terms while others are subject to an annual increase equivalent to the inflation rate or are reset periodically to market rental rates.

(b) Variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

<u>THE GROUP</u> June 30, 2025	<i>Lease Contracts</i> <i>Number</i>	<i>Fixed payments</i> <i>%</i>	<i>Variable payments</i> <i>%</i>	<i>Sensitivity</i> <i>Rs.</i>
Property leases with payments linked to inflation	2	100%	-	-
Motor vehicles leases	1	100%	-	-
Equipment leases	6	100%	-	-
June 30, 2024				
	<i>Lease Contracts</i> <i>Number</i>	<i>Fixed payments</i> <i>%</i>	<i>Variable payments</i> <i>%</i>	<i>Sensitivity</i> <i>Rs.</i>
Property leases with payments linked to inflation	2	100%	-	-
<u>THE COMPANY</u> June 30, 2025				
	<i>Lease Contracts</i> <i>Number</i>	<i>Fixed payments</i> <i>%</i>	<i>Variable payments</i> <i>%</i>	<i>Sensitivity</i> <i>Rs.</i>
Motor vehicles leases	1	100%	-	-
Equipment leases	6	100%	-	-

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

6A. LEASE LIABILITIES (CONT'D)

(c) Extension and termination options

The majority of extension and termination options held are exercisable only by the Group and Company or by mutual agreement.

(d) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(e) Interest Expense

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest expense (included in finance cost)	599,818	580,662	174,800	-
Expenses relating to short term leases (included in cost of sales and administrative expenses)	961,156	313,200	961,156	313,200
Expense relating to leases of low-value assets that are not shown above as short term leases (included in administrative expenses)	1,396,561	1,363,226	1,396,561	1,363,226

The total cash outflow for leases in 2025 was Rs.2,957,535 (2024: Rs.2,257,088) for the Group and Rs.2,532,517 (2024: Rs. 1,676,426) for the Company.

The incremental borrowing rates ranges from 8.5% to 9.5%.

(f) Lease liabilities is denominated as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
MUR	2,500,387	-	2,500,387	-
Malagasy Ariary	3,521,292	5,569,354	-	-
	6,021,679	5,569,354	2,500,387	-

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

7. INTANGIBLE ASSETS

	Computer software	Franchise and Development cost	Total
<u>THE GROUP - 2025</u>			
COST	Rs.	Rs.	Rs.
At July 1, 2024	77,678,853	15,084,388	92,763,241
Additions	680,912	-	680,912
Translation difference	(4,448)	(331,280)	(335,728)
At June 30, 2025	78,355,317	14,753,108	93,108,425
AMORTISATION			
At July 1, 2024	59,645,962	13,018,302	72,664,264
Charge for the year	10,500,303	578,601	11,078,904
Translation difference	(1,942)	(221,751)	(223,693)
At June 30, 2025	70,144,323	13,375,152	83,519,475
NET BOOK VALUES			
At June 30, 2025	8,210,994	1,377,956	9,588,950
<u>THE GROUP - 2024</u>			
COST	Rs.	Rs.	Rs.
At July 1, 2023	75,415,500	14,750,415	90,165,915
Additions	2,261,437	2,694	2,264,131
Translation difference	1,916	331,279	333,195
At June 30, 2024	77,678,853	15,084,388	92,763,241
AMORTISATION			
At July 1, 2023	49,571,081	12,222,253	61,793,334
Charge for the year	10,073,221	576,623	10,649,844
Translation difference	1,660	219,426	221,086
At June 30, 2024	59,645,962	13,018,302	72,664,264
NET BOOK VALUES			
At June 30, 2024	18,032,891	2,066,086	20,098,977

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

7. INTANGIBLE ASSETS

	Computer software	Franchise and Development cost	Total
<u>THE COMPANY - 2025</u>			
COST	Rs.	Rs.	Rs.
At July 1, 2024	77,643,407	8,955,704	86,599,111
Additions	-	-	-
At June 30, 2025	77,643,407	8,955,704	86,599,111
AMORTISATION			
At July 1, 2024	59,615,215	8,955,704	68,570,919
Charge for the year	10,424,883	-	10,424,883
At June 30, 2025	70,040,098	8,955,704	78,995,802
NET BOOK VALUES			
At June 30, 2025	Rs. 7,603,309	-	7,603,309
<u>THE COMPANY - 2024</u>			
COST	Rs.	Rs.	Rs.
At July 1, 2023	75,381,970	8,955,704	84,337,674
Additions	2,261,437	-	2,261,437
At June 30, 2024	77,643,407	8,955,704	86,599,111
AMORTISATION			
At July 1, 2023	49,547,473	8,955,704	58,503,177
Charge for the year	10,067,742	-	10,067,742
At June 30, 2024	59,615,215	8,955,704	68,570,919
NET BOOK VALUES			
At June 30, 2024	Rs. 18,028,192	-	18,028,192

- (a) Amortisation charge of Rs.11,078,904 (2024: Rs.10,649,844) for the group and Rs.10,424,883 (2024: Rs.10,067,742) for the company has been charged in administrative expenses.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

8. INVESTMENT IN SUBSIDIARIES

THE COMPANY

Unquoted

At July 1,

Additions - cash

Impairment loss

At June 30,

	2025	2024
	Rs.	Rs.
At July 1,	121,780,670	90,626,670
Additions - cash	-	42,400,000
Impairment loss	(3,200,000)	(11,246,000)
At June 30,	<u>118,580,670</u>	<u>121,780,670</u>

(a) The list of the Group's subsidiaries is as follows:

Name	Class of shares	Year end	Proportion of ownership interest		Place of business	Main business
			2025	2024		
Maurilait (Seychelles) Limited	Ordinary	June 30,	95.00%	95.00%	Seychelles Islands	Dormant
Maurilait SA	Ordinary	June 30,	99.99%	99.99%	Madagascar	Production and sales of dairy products
Step Madagascar SARL (via Maurilait SA 60% holding)	Ordinary	June 30,	59.64%	59.64%	Madagascar	Rental of operational facilities
Ferme Laitiere de L'Avenir Ltee	Ordinary	June 30,	85.00%	85.00%	Mauritius	Dormant

(b) There were no subsidiaries with material non-controlling interests as at June 30, 2025 and June 30, 2024.

The non-controlling interest within Maurilait SA, Step Madagascar SARL and Maurilait (Seychelles) Limited are not material.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (c) An investment in subsidiary is considered for impairment whenever events or circumstances indicate that the carrying amount is not recoverable.

The Company has computed the value in use of its investment in Maurilait SA using the Discounted Cash Flow (DCF) technique. Impairment of Rs 3.2m for Maurilait SA have been recognised during the year as the value in use amounting to Rs.118.6m for Maurilait SA was lower than the carrying value of the investment.

Discount rate of 25.7% for Maurilait SA was used to arrive at the value in use. The discount rates calculation were based on the specific circumstances of the subsidiaries and was derived from their weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment from the investors. The cost of debt is based on the interest-bearing borrowings that are being serviced. The value in use computation was based on a five-year forecast period and a perpetual growth rate of 5% was assumed to arrive at the terminal value based on management estimate for that particular industry.

9. INVENTORIES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Raw materials	290,512,518	200,839,695	240,926,883	152,321,684
Finished goods	5,658,768	25,027,295	4,396,636	22,130,899
Work in progress	8,465,638	7,472,653	3,327,194	2,755,796
Spare parts	77,592,643	64,791,766	77,592,643	64,791,766
Goods in transit	4,448,010	3,498,295	4,448,010	3,498,295
Rs.	<u>386,677,577</u>	<u>301,629,704</u>	<u>330,691,366</u>	<u>245,498,440</u>

Cost of inventories recognised as expense
in cost of sales

Rs.	<u>927,326,384</u>	<u>855,719,369</u>	<u>813,988,532</u>	<u>742,589,729</u>
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Inventories are pledged as security for borrowings.

10. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade receivables				
- Related parties	197,272,761	156,017,401	172,088,539	130,581,057
- Non related parties	2,455,950	-	-	-
Less: provision for impairment	-	-	(4,734,774)	(4,734,774)
Trade receivables - net	Rs. <u>199,728,711</u>	<u>156,017,401</u>	<u>167,353,765</u>	<u>125,846,283</u>

- (i) *Impairment of trade receivables*

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

10. TRADE RECEIVABLES (CONT'D)

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

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The amount of loss allowance as at 30 June 2025 and 30 June 2024 relates to provision on receivable balance from Maurilait SA amounting to Rs 4,734,774.

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Loss allowance as July 1,	-	6,026,083	4,734,774	16,302,258
Unused amount reversed	-	(6,026,083)	-	(11,567,484)
At June 30,	-	-	4,734,774	4,734,774

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	167,353,765	125,846,283	167,353,765	125,846,283
Malagasy Ariary	32,374,946	30,171,118	-	-
	199,728,711	156,017,401	167,353,765	125,846,283

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

11. FINANCIAL ASSETS AT AMORTISED COST

	THE GROUP			
	2025		2024	
	Rs.	Rs.	Rs.	Rs.
	Current	Non-current	Current	Non-current
Other receivables (note (i))	286,769	-	399,748	-
	286,769	-	399,748	-

	THE COMPANY			
	2025		2024	
	Rs.	Rs.	Rs.	Rs.
	Current	Non-current	Current	Non-current
Other receivables (note (i))	286,769	-	399,748	-
	286,769	-	399,748	-

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

11. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

(i) Other receivables

Loan to staff are unsecured, interest free and repayment terms exceeds six months.

(ii) Impairment and risk exposure

The loss allowance for other financial assets at amortised cost at June 30, 2025 and June 30, 2024 is nil.

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	286,769	399,748	286,769	399,748
	286,769	399,748	286,769	399,748

12. PREPAYMENTS AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Other receivable	12,032,779	7,268,735	397,437	593,971
Prepayments	35,070,947	43,209,178	34,521,300	42,921,053
Deposits	720,000	720,000	720,000	720,000
VAT receivable	43,633,647	67,525,737	8,520,914	18,616,965
	91,457,373	118,723,650	44,159,651	62,851,989

13. SHARE CAPITAL

	THE GROUP AND THE COMPANY	
	2025 & 2024	2025 & 2024
	Number	Rs.
<i>Issued and fully paid:</i>		
Ordinary shares of Rs.100 each		
As at July 1 and June 30,	4,950,000	495,000,000

Fully paid ordinary shares carry voting rights, right to dividends and distribution of surplus assets of the Company on its liquidation. Shareholders have a pre-emptive right on all new shares issued by the Company up to the extent of their respective holding in the shares of the Company. Transfer of shares is restricted to existing shareholders.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

14. OTHER RESERVES

	Note	Translation reserve	Revaluation Reserve	Actuarial gains/(losses)	Cash flow hedging reserve	Total
THE GROUP		Rs.	Rs.	Rs.	Rs.	Rs.
2025						
Balance at July 1, 2024		15,521,855	263,238,959	(17,290,801)	-	261,470,013
<i>Items that will not be reclassified to profit or loss:</i>						
Remeasurement of defined benefit obligations	17	-	-	(2,015,130)	-	(2,015,130)
Effect of change in tax rate on employment benefit obligation	16	-	-	416,646	-	416,646
Effect of change in tax rate on revaluation of land and equipment	16	-	(5,923,740)	-	-	(5,923,740)
Income tax relating to components of other comprehensive income	16	-	-	382,875	-	382,875
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences		(10,968,266)	-	-	-	(10,968,266)
Fair value loss on hedging instrument during the period		-	-	-	(3,653,596)	(3,653,596)
		4,553,589	257,315,219	(18,506,410)	(3,653,596)	239,708,802
Share of non-controlling interest		40,126	-	-	-	40,126
Cumulative gain on revaluation of equipment transferred to retained earnings upon disposal		-	(15,597,427)	-	-	(15,597,427)
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal		-	2,651,563	-	-	2,651,563
Balance at June 30, 2025		4,593,715	244,369,355	(18,506,410)	(3,653,596)	226,803,064
2024						
Balance at July 1, 2023		4,932,117	175,004,849	(18,919,130)	-	161,017,836
<i>Items that will not be reclassified to profit or loss:</i>						
Remeasurement of defined benefit obligations	17	-	-	1,961,842	-	1,961,842
Gains on revaluation of land, buildings and equipment	5	-	106,306,157	-	-	106,306,157
Income tax relating to components of other comprehensive income	16	-	(18,072,047)	(333,513)	-	(18,405,560)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation differences		10,628,812	-	-	-	10,628,812
		15,560,929	263,238,959	(17,290,801)	-	261,509,087
Share of non-controlling interest		(39,079)				(39,079)
Change in ownership interest in subsidiaries that do not result in a loss of control		5	-	-	-	5
Balance at June 30, 2024		15,521,855	263,238,959	(17,290,801)	-	261,470,013

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

14. OTHER RESERVES (CONT'D)

<u>THE COMPANY</u>	<u>Note</u>	<u>Revaluation Reserve Rs.</u>	<u>Actuarial gains/(losses) Rs.</u>	<u>Cash flow hedging reserve Rs.</u>	<u>Total Rs.</u>
<u>2025</u>					
Balance at July 1, 2024		263,238,959	(17,290,801)	-	245,948,158
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit obligations	17	-	(2,015,130)	-	(2,015,130)
Effect of change in tax rate on employment benefit obligation	16	-	416,646	-	416,646
Effect of change in tax rate on revaluation of land and equipment	16	(5,923,740)	-	-	(5,923,740)
Deferred tax on revaluation Income tax relating to components of other comprehensive income	16	-	382,875	-	382,875
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value loss on hedging instrument during the period		-	-	(3,653,596)	(3,653,596)
		257,315,219	(18,506,410)	(3,653,596)	235,155,213
Cumulative gain on revaluation of equipment transferred to retained earnings upon disposal		(15,597,427)	-	-	(15,597,427)
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal		2,651,563	-	-	2,651,563
Balance at June 30, 2025		244,369,355	(18,506,410)	(3,653,596)	222,209,349
<u>2024</u>					
Balance at July 1, 2023		175,004,849	(18,919,130)	-	156,085,719
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of defined benefit obligations	17	-	1,961,842	-	1,961,842
Gains on revaluation of land, buildings and equipment	5	106,306,157	-	-	106,306,157
Deferred tax on revaluation Income tax relating to components of other comprehensive income	16	(18,072,047)	(333,513)	-	(18,405,560)
Balance at June 30, 2024		263,238,959	(17,290,801)	-	245,948,158

Translation reserve

The translation reserve arises on retranslation of foreign subsidiaries into the presentation currency.

Revaluation surplus

The revaluation arises on the revaluation of property, plant and equipment.

Actuarial gains/(losses)

The actuarial gains/(losses) reserve represents the cumulative remeasurement of defined benefit obligation recognised.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

14. OTHER RESERVES (CONT'D)

Cash flow hedge reserve

Losses arising on the effective portion of hedging instruments carried at fair value in a qualifying cash flow hedge.

**Cash flow
hedging reserve
for continuing
interest rate
swap hedges
Rs.**

Items that may be reclassified subsequently to profit or loss:

Fair value through other comprehensive income investments:

Cash flow hedges:

loss recognised on hedging instruments

(3,653,596)

(3,653,596)

15. BORROWINGS

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Non-current				
Bank loans	164,814,606	214,895,446	159,222,239	192,326,482
Current				
Bank loans	48,395,678	135,720,737	32,639,026	120,571,878
Import loans	92,162,960	18,796,640	92,162,960	18,796,640
Other loans	88,000,000	60,600,000	88,000,000	60,600,000
	228,558,638	215,117,377	212,801,986	199,968,518
Total borrowings	Rs. 393,373,244	430,012,823	372,024,225	392,295,000

(a) The bank borrowings are secured by floating charges on the assets of the Group including inventories, equipment and freehold building (note 5 and 9).

(b) The exposure of the Group's non-current borrowings is as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Later than 1 year and not later than 5 years	82,401,314	102,647,809	76,808,947	80,078,845
Later than 5 years	82,413,292	112,247,637	82,413,292	112,247,637
	164,814,606	214,895,446	159,222,239	192,326,482

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

15. BORROWINGS (CONT'D)

- (c) The effective interest rates (floating rates) at the end of the reporting period were as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	%	%	%	%
Bank borrowings	5.75% -7.25%	1.50% - 6.75%	5.75% -6.65%	1.50% - 6.75%
Import loan	4.497% -6.798%	6.75%	4.497% -6.798%	6.75%
Other loans	4.00%	4.00%	4.00%	4.00%

- (i) Import loans were taken for trade financing with maturity dates of 90 days.
- (d) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Mauritian rupees	279,861,265	392,295,000	279,861,265	392,295,000
EURO	79,539,403	-	79,539,403	-
USD	12,623,557	-	12,623,557	-
Malagasy ariary	21,349,019	37,717,823	-	-
	393,373,244	430,012,823	372,024,225	392,295,000

The carrying amounts of borrowings are not materially different from their fair values. The fair values are based on cash flows discounted using a rate based on borrowing rates and are within level 2 of the fair value hierarchy.

- (e) Other loans relate to loans from related parties which are repayable on demand.
- (f) Loan Covenants
- (i) Under the terms of the bank loan which has a carrying amount of Rs 150m (2024: Rs 150m) the Group is subject to the following covenants:
- (a) The borrower shall provide the Bank with its audited accounts of any parent, subsidiary, other associate of the borrower or sureties/guarantors in respect of the Borrower's indebtedness to the Bank, prepared in accordance with International accounting standards and consistently applied, at the earliest but not later than 180 days of the end of each financial year;
- (b) The borrower shall provide the bank with management accounts within 30 days of the end of each quarter. The management accounts are to include the balance sheet and profit and loss statement;
- (c) The borrower will not declare any dividend without the prior consent of MCB Ltd, unless Debt Service Coverage Ratio ('DSCR') is more than 1.2x and exposure gearing is less than 1.5:1, after such dividend declaration;
- (d) The borrower's assets are not to be pledged without the prior approval of the bank;
- (e) The assets under the purview of the floating charge on all movable and immovable assets of the borrower amounting to Rs 150m shall be adequately insured against all risks and allied perils and a copy of the relevant policy, with the interest of the Bank duly endorsed therein, to be lodged with the bank.
- (ii) Under the terms of the bank loan which has a carrying amount of Rs 29.4m (2024: Rs 52.9m) the Group is subject to the following covenants:
- (a) The audited accounts to be submitted each year not later than 6 months after each financial end;
- (b) Management accounts to be submitted within 30 days of the end of each semester.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

16. DEFERRED INCOME TAX

- (a) Deferred income tax is calculated on all temporary differences under the liability method at 19%/30% (2024: 17%/30%). 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.

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

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
At July 1,	51,671,875	43,364,832
Credited to profit or loss (note 19)	(6,460,934)	(10,098,517)
Effect of change in tax rate charged in profit or loss (note 19)	291,197	-
(Credited)/Charged to other comprehensive income (note 14)	(382,875)	18,405,560
Effect of change in tax rate charged to other comprehensive income (note 14)	5,507,094	-
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal (note 14)	(2,651,563)	-
At June 30,	Rs. 47,974,794	51,671,875

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

THE GROUP & THE COMPANY	Accelerated tax depreciation	Asset revaluation	Retirement benefit Obligations	Total
2025	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities/(assets)				
At July 1, 2024	17,070,122	41,530,448	(6,928,695)	51,671,875
(Credited)/Charged to profit or loss	(2,186,284)	(4,365,489)	90,839	(6,460,934)
Effect of change in tax rate charged/(credited) in profit or loss (note 19)	2,008,251	(1,318,559)	(398,495)	291,197
Credited to other comprehensive income	-	-	(382,875)	(382,875)
Effect of change in tax rate charged/(credited) to other comprehensive income (note 14)	-	5,923,740	(416,646)	5,507,094
Reversal of deferred tax on Cumulative gain on revaluation of equipment upon disposal (note 14)	-	(2,651,563)	-	(2,651,563)
At June 30, 2025	16,892,089	39,118,577	(8,035,872)	47,974,794
2024				
Deferred tax liabilities/(assets)				
At July 1, 2023	24,896,808	26,059,565	(7,591,541)	43,364,832
Credited to profit or loss	(7,826,686)	(2,601,164)	329,333	(10,098,517)
Charged to other comprehensive income	-	18,072,047	333,513	18,405,560
At June 30, 2024	17,070,122	41,530,448	(6,928,695)	51,671,875

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS

Retirement benefit obligations consist of a defined benefit scheme managed by Swan Life and Other post retirement benefits provided as per the Workers Rights Act 2019 based on the reports of MUA Pension Limited and Swan Life.

Amount recognised in the Statement of Financial Position:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Pension scheme (note (a)(i))	29,286,658	28,037,657
Other post retirement benefits (note (b)(i))	13,007,405	12,719,375
	42,294,063	40,757,032

Amount charged to profit or loss:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Pension scheme (note (a)(vi))	2,165,768	2,334,211
Other post retirement benefits (note (b)(ii))	1,183,364	1,173,883
	3,349,132	3,508,094

Amounts charged/(credited) to other comprehensive income:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Pension scheme (note (a)(v))	1,244,266	(4,594,858)
Other post retirement benefits (note (b)(iii))	770,864	2,633,016
	2,015,130	(1,961,842)

Movement in the liability recognised in the statement of financial position:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
At July 1,	40,757,032	44,656,129
Total expense charged in profit or loss	3,349,132	3,508,094
Actuarial loss/(gain) recognised in other comprehensive income	2,015,130	(1,961,842)
Contributions paid	(3,827,231)	(5,445,349)
At June 30,	42,294,063	40,757,032

(a) Pension scheme

The pension scheme is a defined benefit arrangement. The plan is a final salary plan which provides benefits to members in the form of pension at retirement and a benefit on death or disablement in service before retirement. The assets of the fund are invested in Eclosia Group Pension Fund.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension scheme (cont'd)

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligations were carried out at June 30, 2025 by Swan Life Limited. 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.

(i) The amounts recognised in the Statement of Financial Position are as follows:

THE GROUP AND THE COMPANY	
2025	2024
Rs.	Rs.
Present value of funded obligations	39,630,254
Fair value of plan assets	(11,592,597)
Liability in the Statement of Financial Position	28,037,657

(ii) Movement in the liability recognised in the statements of financial position:

THE GROUP AND THE COMPANY	
2025	2024
Rs.	Rs.
At July 1,	35,323,411
Total expense charged in profit or loss	2,334,211
Actuarial loss/(gain) recognised in other comprehensive income	(4,594,858)
Contributions paid	(5,025,107)
At June 30,	28,037,657

(iii) The movement in the present value of funded obligations over the year is as follows:

THE GROUP AND THE COMPANY	
2025	2024
Rs.	Rs.
At July 1,	44,138,264
Current service cost	682,188
Interest cost	2,179,289
Actuarial losses/(gains)	(4,041,343)
Transfer	(3,328,144)
Benefits paid	-
At June 30,	39,630,254

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

THE GROUP AND THE COMPANY	
2025	2024
Rs.	Rs.
At July 1,	(8,814,853)
Interest income	(552,949)
Actuarial gains	(553,515)
Cost of insuring risk benefits	25,683
Employer's contributions	(5,025,107)
Transfer	3,328,144
Benefits paid	-
At June 30,	(11,592,597)

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension scheme (cont'd)

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

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Gains on pensions scheme assets	(401,351)	(553,515)
Experience losses/(gains) on the liabilities	1,062,660	(6,619,639)
Changes in assumptions underlying the present value of the scheme	582,957	2,578,296
	1,244,266	(4,594,858)

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

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Current service cost	751,969	682,188
Cost of insuring risk benefits	-	25,683
Net interest cost	1,413,799	1,626,340
Total included in employee benefit expense	2,165,768	2,334,211

(vii) The total charge for the year and previous year are included in 'administrative expenses'.

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
(viii) Actual return on plan assets	707,650	1,106,464

(ix) The assets in the plan and the expected rate of return were:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Local Equities	522,628	1,738,890
Fixed Income	1,241,243	5,564,447
Overseas Equities	783,942	2,782,222
Cash	718,614	1,507,038
Total Market value of assets	3,266,427	11,592,597

(x) The assets of the plan are invested in the Eclosia Group Pension Fund which includes a diversified portfolio of asset classes. In view of exposure to equities, some volatility in the return from one year to the other is expected.

(xi) The expected contributions to post employment benefit plans for the year ending June 30, 2026 are Rs.3.12m.

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

	Increase	Decrease
	Rs.	Rs.
June 30, 2025		
Discount rate (1% movement)	1,181,297	1,105,243
Future long-term salary assumption (1% movement)	1,179,368	1,125,474

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(a) Pension scheme (cont'd)

(xii) Sensitivity analysis on defined benefit obligations at end of the reporting date (cont'd):

	Increase	Decrease
	Rs.	Rs.
June 30, 2024		
Discount rate (1% movement)	1,260,093	1,167,318
Future long-term salary assumption (1% movement)	1,269,945	1,199,919

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

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

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

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

(xiii) The defined benefit pension plan exposes the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk, liquidity risk and mortality risk.

Longevity risk-employees living longer than expected exposing the employer to the risk that more employees make it to retirement.

Currency risk- risk of unfavourable movement in foreign currency assets.

Interest rate risk- risk that yields on bonds decrease leading to higher provisions for benefits.

Liquidity risk- risk that employer's cashflow not sufficient to pay benefits.

Mortality risk- risk that higher than expected deaths leading to unexpected pay-outs.

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

(xv) The weighted average duration of the liabilities as at June 30, 2025 is 4 years.

(xvi) The principal actuarial assumptions used for accounting purposes were as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	%	%
Discount rate	5.30	4.30
Expected return on plan assets	5.30	4.30
Future salary increase	3.50	2.00

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(b) Other post retirement benefits

The liability relates to employees who are entitled to Retirement Gratuities payable under the Workers' Rights Act 2019. The latter provides for a lump sum on withdrawal, at retirement or death, whichever occurs earlier, based on final salary and years of service. Prior to the implementation of the Portable Retirement Gratuity, the benefits were unfunded at December 31, 2019. Moreover, employees who resign as from 2020, are eligible for a portable gratuity benefit based on service under the employer as from January 1, 2020 and remuneration at exit. For employees who are members of the Defined Contribution plan, half of any lump sum and 5 years of pension (relating to Employer's share of contributions only) payable from the pension fund have been offset from the Retirement Gratuities.

(i) The amounts recognised in the Statement of Financial position are as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Present value of unfunded obligation	13,007,405	12,719,375
Administered by:		
MUA Pension Ltd	7,913,181	10,036,786
Swan Life	5,094,224	2,682,589
	13,007,405	12,719,375

Movement in the liability recognised in the statements of financial position:

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
At July 1,	12,719,375	9,332,718
Total expense charged in profit or loss	1,183,364	1,173,883
Actuarial loss recognised in other comprehensive income	770,864	2,633,016
Benefits paid	(1,666,198)	(420,242)
At June 30,	Rs. 13,007,405	12,719,375

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

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Current service cost	545,556	636,901
Net interest cost	637,808	536,982
Total included in employment benefit expense	1,183,364	1,173,883

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

	THE GROUP AND THE COMPANY	
	2025	2024
	Rs.	Rs.
Experience (gains)/losses on the liabilities	(749,117)	1,558,105
Changes in assumptions underlying the present value of the scheme	-	-
	1,519,981	1,074,911
	770,864	2,633,016

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

17. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

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

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

	Increase	Decrease
	Rs.	Rs.
June 30, 2025		
Discount rate (1% movement)	8,904,359	11,996,788
Future long-term salary assumption (1% movement)	12,215,830	8,796,275
June 30, 2024		
Discount rate (1% movement)	9,994,944	13,300,022
Future long-term salary assumption (1% movement)	13,696,742	9,987,399

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

(v) The principal actuarial assumptions used for accounting purposes were as follows:

	THE GROUP AND THE COMPANY	
	2025	2024
	%	%
Discount rate	5.81% - 6.1%	5.21% - 5.3%
Future salary increase	3.5%	2.0%

(vi) The weighted average duration of the liability is 12-20 years.

18. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade payables	144,412,911	82,972,548	109,165,155	54,851,422
Other payables	72,936,883	126,619,936	68,699,460	123,617,194
Rs.	217,349,794	209,592,483	177,864,615	178,468,616

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

19. INCOME TAX

(a) Statement of financial position

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
At July 1,	6,225,998	3,129,982	3,172,141	2,265,158
Current tax on the adjusted profit for the year at 15%/30% (2024: 15%/30%)	18,331,062	27,124,952	16,043,070	25,191,097
Under/(Over) provision	191,100	9,908	191,100	9,908
Corporate Social Responsibility	2,142,639	3,363,241	2,142,639	3,363,241
'Corporate Social Responsibility paid during the year	(1,891,821)	(2,417,254)	(1,891,821)	(2,417,254)
Corporate Climate Responsibility Levy	2,142,639	-	2,142,639	-
Net income tax refund/(paid) during the year	(2,869,437)	206,266	-	(48,912)
Tax Credit for Capital Expenditure	(18,185,709)	(25,191,097)	(18,185,709)	(25,191,097)
At June 30,	6,086,471	6,225,998	3,614,059	3,172,141

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

19. INCOME TAX (CONT'D)

(a) Statement of financial position (cont'd)

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Analysed into:				
Current tax assets	(2,380,499)	(1,039,236)	-	-
Current tax liabilities	8,466,970	7,265,234	3,614,059	3,172,141
	6,086,471	6,225,998	3,614,059	3,172,141

(b) Statement of profit or loss and other comprehensive income

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Current tax on the adjusted profit for the year at 15%/30% (2024: 15%/30%)	18,331,062	27,124,952	16,043,070	25,191,097
Corporate Climate Responsibility Levy	2,142,639	-	2,142,639	-
Tax Credit for Capital Expenditure	(18,185,709)	(25,191,097)	(18,185,709)	(25,191,097)
Under/(Over) provision	191,100	9,908	191,100	9,908
Movement in deferred taxation (note 16)	(6,169,737)	(10,098,517)	(6,169,737)	(10,098,517)
	(3,690,645)	(8,154,754)	(5,978,637)	(10,088,609)
Corporate social responsibility	2,142,639	3,363,241	2,142,639	3,363,241
	(1,548,006)	(4,791,513)	(3,835,998)	(6,725,368)

The tax on the company's profit differs from the theoretical amount that would arise using the basic tax rate of the company as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Profit before tax	95,415,631	100,197,522	103,991,893	116,384,484
Tax calculated at 19%/30% (2024: 17%/30%)	18,011,207	16,383,438	19,758,460	19,785,362
Expenses not deductible for tax purposes	6,110,339	8,574,124	2,075,095	3,238,345
Income not subject to tax	(4,401,767)	(1,966,723)	(4,401,767)	(1,966,723)
Underprovision	191,100	9,908	191,100	9,908
Tax Credit for Capital Expenditure	(18,185,709)	(25,191,097)	(18,185,709)	(25,191,097)
Effect of change in tax rate charged in profit or loss (note 16)	291,197	-	291,197	-
Other adjustments	(3,564,373)	(2,601,163)	(3,564,373)	(2,601,163)
Tax charge	(1,548,006)	(4,791,513)	(3,835,998)	(6,725,368)

20. REVENUE

(a) The following is an analysis of the Group's revenue for the year:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Revenue from sale of goods	1,849,258,744	1,679,407,078	1,640,658,367	1,497,181,280
Revenue from sale of service	10,731,405	4,201,584	-	-
Revenue from contracts with customers	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

20. REVENUE (CONT'D)

(b) Disaggregation of revenue from contracts with customers

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<i>Geographic markets</i>				
Mauritius	1,640,658,367	1,497,181,280	1,640,658,367	1,497,181,280
Madagascar	219,331,782	186,427,382	-	-
	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280
<i>Product type</i>				
Milk based products	1,806,916,853	1,635,011,222	1,598,316,476	1,452,785,424
Non-milk based products	42,341,891	44,395,856	42,341,891	44,395,856
Water treatment services	10,731,405	4,201,584	-	-
	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280
<i>Contract counterparties</i>				
Manufacturing	10,731,405	4,201,584	-	-
Wholesalers	1,849,258,744	1,679,407,078	1,640,658,367	1,497,181,280
	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280
<i>Timing of revenue recognition</i>				
At a point in time	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280
	1,859,990,149	1,683,608,662	1,640,658,367	1,497,181,280

21. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Depreciation (Note 5)	95,883,812	85,242,129	73,743,506	63,562,913
Amortisation of intangible assets (Note 7)	11,078,904	10,649,844	10,424,883	10,067,742
Amortisation of right-of-use assets (Note 6)	2,963,929	1,803,617	1,154,125	-
Employee benefit expense (note 22)	178,082,070	154,483,867	152,636,612	132,961,210
Cost of inventories recognised as expense (note 9)	927,326,384	855,719,369	813,988,532	742,589,729
Excise duty	45,808,550	38,976,065	45,807,770	38,962,043
Management fees and other fees	61,523,179	56,272,467	61,476,517	56,066,081
Advertising	57,060,279	51,936,469	57,060,279	51,936,469
Royalties	57,075,296	50,623,784	57,075,296	50,623,784
Repairs and maintenance	44,976,335	50,604,390	40,268,279	47,565,145
Electricity	30,704,868	27,470,194	30,074,644	27,341,501
Rent of equipment	1,396,561	1,728,346	1,396,561	1,728,346
Storage and transport of inventories	41,998,635	36,006,278	41,998,635	36,006,278
Gas	5,279,576	2,419,195	1,386,503	834,066
Heavy fuel oil	18,245,116	15,300,130	18,245,116	15,300,130
Other expenses	156,803,894	119,533,346	103,456,805	79,506,368
Total cost of sales and administrative expenses	Rs. 1,736,207,388	1,558,769,490	1,510,194,063	1,355,051,805

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

21. EXPENSES BY NATURE

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Analysed as follows:				
Cost of sales	1,419,989,006	1,278,329,364	1,226,723,167	1,104,135,483
Administrative expenses	259,158,103	228,503,657	226,410,617	198,979,853
Other operating costs	57,060,279	51,936,469	57,060,279	51,936,469
Rs.	1,736,207,388	1,558,769,490	1,510,194,063	1,355,051,805

22. EMPLOYEE BENEFIT EXPENSE

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Wages and salaries	157,921,823	136,955,372	134,090,093	116,724,768
Social security costs	6,951,507	5,644,940	5,337,779	4,352,887
Pension costs- defined contribution plans	9,859,608	8,375,461	9,859,608	8,375,461
Pension costs- defined benefit plans	2,165,768	2,334,211	2,165,768	2,334,211
Other post-retirement benefits	1,183,364	1,173,883	1,183,364	1,173,883
	178,082,070	154,483,867	152,636,612	132,961,210

23. OTHER INCOME

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Gain on disposal of assets	2,540,990	-	2,540,990	-
Other income	3,179,480	4,105,045	2,650,208	3,638,596
	5,720,470	4,105,045	5,191,198	3,638,596

24. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest expense:				
Bank overdrafts	4,182,657	2,384,688	4,182,657	2,384,688
Loans	15,203,575	19,310,377	12,416,788	15,188,645
Leases	599,818	580,662	174,800	-
Others	12,136,732	13,058,695	11,689,364	12,131,738
	32,122,782	35,334,422	28,463,609	29,705,071
Net foreign exchange loss/(gain) (note 25)	1,964,818	(561,644)	-	-
Rs.	34,087,600	34,772,778	28,463,609	29,705,071

**25. NET FOREIGN EXCHANGE
LOSSES**

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
The exchange differences debited to profit or loss are included as follows:				
Cost of sales	16,422,630	10,619,942	16,422,630	10,619,942
Finance costs	1,964,818	(561,644)	-	-
Rs.	18,387,448	10,058,298	16,422,630	10,619,942

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

26. NOTES TO THE STATEMENT OF CASH FLOWS

	Note	THE GROUP		THE COMPANY	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
(a) Cash generated from operations					
Profit before tax		95,415,631	100,197,522	103,991,893	116,384,484
Adjustments for:-					
Profit attributable to non controlling interest		(281,999)	(170,752)	-	-
Depreciation	5	95,883,812	85,242,129	73,743,506	63,562,913
Amortisation of intangibles	7	11,078,904	10,649,844	10,424,883	10,067,742
Amortisation of right of use assets	6	2,963,929	1,803,617	1,154,125	-
Impairment gain on financial assets	10 (i)	-	(6,026,083)	-	(11,567,484)
Movement on provision for retirement benefit obligations		(478,099)	(1,937,255)	(478,099)	(1,937,255)
Loss on retranslation of cash and cash equivalents		19,252,140	7,197,273	19,252,140	7,197,273
Interest expense	24	32,122,782	35,334,422	28,463,609	29,705,071
Net effect of modification to lease term		-	110,090	-	-
Gain on disposal of property, plant and equipment		(2,540,990)	-	(2,540,990)	-
Impairment loss on investment in subsidiaries	8	-	-	3,200,000	11,246,000
Changes in working capital					
- inventories		(85,047,873)	57,453,202	(85,192,926)	59,174,017
- trade and other receivables, other financial assets at amortised cost, prepayment and other receivables		(16,332,054)	(4,645,934)	(22,702,165)	2,934,285
- trade and other payables		7,757,311	51,827,035	(604,001)	57,440,348
Cash generated from operations	Rs.	159,793,494	337,035,110	128,711,975	344,207,394

(b) Cash and cash equivalents

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Cash at bank	4,587,134	24,243,753	2,323,051	16,500,516
Bank overdrafts	(66,952,234)	(76,480,325)	(61,730,958)	(68,884,779)
Cash and cash equivalent	(62,365,100)	(52,236,572)	(59,407,907)	(52,384,263)

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

26. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

Cash at bank are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
MUR	-	13,939,263	-	13,939,263
USD	549,027	240,798	549,027	240,798
EUR	234,186	1,770,793	234,186	1,770,793
ZAR	1,539,838	549,662	1,539,838	549,662
MGA	2,264,083	7,743,237	-	-
	4,587,134	24,243,753	2,323,051	16,500,516

(i) The bank overdraft are secured by floating charges on the assets of the Company.

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

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
6 months or less	66,952,234	76,480,325	61,730,958	68,884,779
	66,952,234	76,480,325	61,730,958	68,884,779

(iii) The effective interest rate at the end of the reporting period was as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	%	%	%	%
Bank overdraft	4.49% - 11.5%	6.25% - 11.5%	4.49% - 6.82%	6.25% - 7.83%

(iv) The carrying amounts of borrowings are not materially different from the fair values.

(v) Bank overdraft are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
MUR	29,504,474	22,255,473	29,504,474	22,255,473
USD	-	6,408,612	-	6,408,612
EUR	32,226,484	40,220,694	32,226,484	40,220,694
MGA	5,221,276	7,595,546	-	-
	66,952,234	76,480,325	61,730,958	68,884,779

(c) **Reconciliation of liabilities arising from financing activities**

	THE GROUP				
	2024 Rs.	Net movement Rs.	New loans Rs.	Non-cash changes	
				Acquisitions Rs.	Foreign exchange movement Rs.
Lease liabilities	5,569,354	(2,739,198)	-	3,486,049	(294,526)
Import loan	18,796,640	73,366,320	-	-	-
Bank loan	350,616,183	(712,405,899)	575,000,000	-	-
Other loans	60,600,000	(307,700,000)	335,100,000	-	-
	435,582,177	(949,478,777)	910,100,000	3,486,049	(294,526)
					399,394,923

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

26. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

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

	THE GROUP					
	2023	Net movement	New loans	Non-cash changes		2024
				Effect of modification to lease term	Foreign exchange movement	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Lease liabilities	4,280,905	(1,590,444)	-	2,688,232	190,661	5,569,354
Import loan	57,843,943	(57,843,943)	18,796,640	-	-	18,796,640
Bank loan	433,905,214	(148,289,031)	65,000,000	-	-	350,616,183
Other loans	4,000,000	(4,000,000)	60,600,000	-	-	60,600,000
	500,030,062	(211,723,418)	144,396,640	2,688,232	190,661	435,582,177

	THE COMPANY			
	2024	Net movement	New loans	2025
	Rs.	Rs.	Rs.	Rs.
Lease liabilities	-	(985,662)	3,486,049	2,500,387
Bank loan	312,898,360	(696,037,095)	575,000,000	191,861,265
Import loan	18,796,640	73,366,320	-	92,162,960
Other loans	60,600,000	(307,700,000)	335,100,000	88,000,000
	392,295,000	(931,356,437)	913,586,049	374,524,612

	THE COMPANY				
	2023	Net movement	New loans	2024	
	Rs.	Rs.	Rs.	Rs.	
	Bank loan	384,055,522	(136,157,162)	65,000,000	312,898,360
	Import loan	57,843,844	(57,844,137)	18,796,933	18,796,640
Other loans	4,000,000	(4,000,000)	60,600,000	60,600,000	
	445,899,366	(198,001,299)	144,396,933	392,295,000	

27. HOLDING AND ULTIMATE HOLDING ENTITIES

The holding company of Maurilait Production Limitée is Management and Development Company Limited, a limited liability company incorporated in Mauritius.

The ultimate control of the company remains with Société Beauvoir Holdings, a société civile.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

29. BUSINESS COMBINATION

2024

Acquisition of additional interest in a subsidiary Maurilait SA.

During the year, the Company increased its investment in Maurilait SA leading to an increase in the effective holding of Maurilait Production Limitee by 0.00006%. An amount of Rs 42,400,000 was injected into share capital during the year.

The following summarises the effect of changes in the Group's (parent) ownership interest:

	2024
	Rs.
Parent's ownership interest at the beginning of the period	173,401,842
Cost of additional interest	42,400,000
Effect of increase in parent's ownership interest	98
Share of profit or loss and other comprehensive income	(13,722,061)
Parent's ownership interest at the end of the period	<u>202,079,879</u>

30. RELATED PARTY TRANSACTIONS

(a) THE GROUP - 2025

Purchase of goods and services
Sale of goods
Amounts receivable
Amounts payable
Interest payable
Loan payable

Holding company	Fellow subsidiaries
Rs.	Rs.
29,482,705	148,585,183
-	1,852,281,902
-	196,009,000
(598,724)	(9,895,169)
-	(3,627,750)
-	(88,000,000)

THE GROUP - 2024

Purchase of goods and services
Sale of goods
Amounts receivable
Amounts payable
Interest payable
Loan payable

27,601,542	140,197,889
-	1,693,458,483
-	155,951,907
(3,808,754)	(27,835,931)
(6,575)	(446,049)
(10,000,000)	(50,600,000)

(b) Key management personnel compensation

Short term benefits

Salaries and bonuses

Post employment benefits

Pension costs

THE GROUP AND THE COMPANY	
2025	2024
Rs.	Rs.
21,198,670	19,039,024
1,791,448	1,637,911
Rs. 22,990,118	20,676,935

Key management personnel includes non-executive director and top level management personnel.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - YEAR ENDED JUNE 30, 2025

30. RELATED PARTY TRANSACTIONS (CONT'D)

(c) <u>THE COMPANY</u>	Holding company		Subsidiaries		Fellow subsidiaries	
	2025	2024	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Purchase of goods and services	29,482,705	27,601,542	-	-	141,600,041	128,197,940
Sale of goods	-	-	31,968	-	1,645,934,892	1,494,549,164
Amounts receivable	-	-	4,572,155	4,734,774	166,542,913	125,846,283
Amounts payable	(598,724)	(3,808,754)	-	-	(9,895,169)	(27,835,931)
Interest payable	-	(6,575)	-	-	(3,627,750)	(446,049)
Loan payable	-	(10,000,000)	-	-	(88,000,000)	(50,600,000)

(d) **Terms and conditions of transactions with related parties**

The above transactions have been made on normal commercial terms and in the normal course of business.

Outstanding balances at year end are unsecured and settlement occurs in cash.

Guarantees provided or received for any related party receivables or payables are disclosed in note 32. For the year ended June 30, 2025, the Company has recorded impairment of receivables of Rs.nil (2024: Rs Nil) relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS -
YEAR ENDED JUNE 30, 2025**

31. EVENTS AFTER THE REPORTING PERIOD

Amendments to the Income Tax Act

On 9 August 2025, subsequent to the reporting period, the Finance Act 2025 was promulgated into law and introduced significant amendments to the tax legislation, including but not limited to:

Fair Share Contribution for Companies:

A Fair Share Contribution ranging from 2% to 5% has been introduced under the Value Added Tax Act (VAT) and is applicable to companies with annual supplies exceeding MUR 24 million or those required to be VAT registered and having annual chargeable income exceeding MUR 24 million. This contribution is payable on a quarterly basis under a system similar to the Advance Payment System under corporate tax and is not deductible against other tax credits. The contribution will be applicable to income derived as from the 1st of July 2025 and will be imposed for 3 consecutive years, i.e., up to the 30th of June 2028.

These changes were enacted after the reporting period ending 30 June 2025 and therefore represent non-adjusting events in accordance with IAS 10.22(h). As such, the financial effects of these changes have not been reflected in the financial statements for the year ended 30 June 2025. The Company is currently evaluating the potential impact of these legislative changes on its future financial performance and tax obligations.

Activities of Maurilait SA in Madagascar

On the September 25, 2025, demonstrations were held in the city of Antananarivo in Madagascar. The demonstrations turned into riots and curfew were imposed in several cities. The Group is continuously assessing the impact of the riots, curfew and social unrest on the activities of Maurilait SA.

32. CONTINGENCIES

As at June 30, 2025, the Maurilait Production Limitee had contingent liabilities in respect of bank and other guarantees amounting to Rs.5,000,000 arising in the ordinary course of business from which it is anticipated that no material liabilities would arise.

As at June 30, 2025, Maurilait SA (a subsidiary of Maurilait Production Limitee) has bank guarantees amounting to Rs.78,466,500 related to certain equipment of the company, which has been pledged as collateral in favor of BNI Madagascar.

33. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Authorised but not contracted for	-	162,500,000	-	162,500,000
Authorised and contracted for	158,125,000	-	158,125,000	-
	158,125,000	162,500,000	158,125,000	162,500,000



JULY - 2025