EAGLE INSURANCE

2023

ANNUAL REPORT

Eagle.mu

A member of IBL

ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder,

The Board of Directors of Eagle Insurance Limited ('EIL') is pleased to present the Annual Report for the year ended 30 June 2023. The Notice of Annual Meeting of Shareholders is included in the Annual Report 2023.

The Annual Meeting of Shareholders of the Company shall be held as follows:

Date: Tuesday, 19 December 2023
Time: 10:00 hours
Venue: Eagle House, Hyvec Business Park,
15 A5 Wall Street, Ebene Cybercity,
Mauritius

We remain at your disposal should you need any additional information.

Yours faithfully,

Laurent de la Hogue
| CHAIRMAN |

ANNUAL REPORT 2023

EIL AT A GLANCE

LEADERSHIP

INTEGRATED REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

NOTICE OF ANNUAL MEETING OF THE COMPANY

Notice is hereby given that the forty-eighth Annual Meeting of the Shareholders of Eagle Insurance Limited (the 'Company') will be held at the offices of the Company, Eagle House, Hyvec Business Park, 15 A5 Wall Street, Ebene Cybercity, Mauritius on **Tuesday 19 December 2023 at 10:00 hours** to transact the following business:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the Group's and Company's audited financial statements for the year ended 30 June 2023, including the Annual Report and the Auditor's Report thereon.

2. To appoint Mr Sattar JACKARIA[1] as Director of the Company.

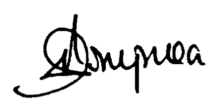
3. To re-elect as Directors of the Company until the next Annual Meeting by way of separate ordinary resolutions the following persons[2]:

   3.1 Ms Shahannah ABDOOLAKHAN
   3.2 Mr Jacob Pieter (JP) BLIGNAUT
   3.3 Mr Winson CHAN CHIN WAH
   3.4 Mr Dipak CHUMMUN
   3.5 Mr Laurent DE LA HOGUE
   3.6 Mr John Edward O'NEILL
   3.7 Ms Cynthia PARRISH
   3.8 Mr Yannick ULCOQ

4. To fix the remuneration of the Directors for the year to 30 June 2024 and to ratify the emoluments paid to the Directors for the year ended 30 June 2023.

5. To re-appoint RSM (Mauritius) LLP as auditors for the financial year ending 30 June 2024 and to authorise the Board to fix their remuneration.

6. To ratify the remuneration paid to the auditors for the financial year ended 30 June 2023.



By Order of the Board
IBL Management Ltd
Secretary
Port Louis, Mauritius

14 November 2023

[1] See Page 32 for his profile
[2] The Directors' profiles are set out on pages 30 to 33

NOTES

a. A shareholder entitled to attend and vote at the meeting may appoint any person, whether a shareholder or not, to attend and vote in his/her stead. Proxy forms must be lodged at the Registry of the Company not less than twenty-four hours before the meeting. A proxy form is also available at the Registered Office of the Company.

b. The instrument appointing a proxy or any general power of attorney shall be deposited at the Share Registry and Transfer Office of the Company, MCB Registry & Securities Limited, 9th Floor, MCB Centre, Sir William Newton Street, Port Louis, by Monday 18 December 2023 at 10:00 hours and in default, the instrument of proxy shall not be treated as valid.

c. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting shall be those shareholders whose names are registered in the share register of the Company as at 20 November 2023.

d. The Minutes of the previous Annual Meeting are available for consultation by the shareholders during office hours at the registered office of the Company, IBL House, Caudan Waterfront, Port Louis.

e. The Minutes of the Annual Meeting to be held on 19 December 2023 will be available for consultation and comments during office hours at the Registered Office of the Company, IBL House, Caudan Waterfront, Port Louis from 29 January to 9 February 2024.

STATEMENT OF COMPLIANCE

The Board of Directors, in assuming its responsibility for leading and controlling the Company, considers good governance to be a major milestone for the success and prosperity of the Company as well as its future. In this way, the Board assumes the responsibility to ensure that all legal and regulatory requirements are met in the prescribed limits.

We, the Directors of Eagle Insurance Limited, confirm that throughout the year ended 30 June 2023, to the best of the Board's knowledge, the Company has complied with the Corporate Governance Code for Mauritius (2016). The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

Laurent
DE LA HOGUE
| CHAIRMAN |

Shahannah
ABDOOLAKHAN
| DIRECTOR |

EAGLE
INSURANCE

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND ACCOUNTABILITIES

The Directors acknowledge their responsibility for the preparation of financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company to comply with the Companies Act 2001 as well as International Financial Reporting Standards.

They are responsible for maintaining adequate accounting records and effective internal control systems. Hence, they are responsible for taking reasonable steps for the early detection and prevention of fraud and other irregularities. They are responsible for safeguarding the assets of the Company and maintaining an effective system of internal control and risk management.

Approved by the Board of Directors on 26 September 2023 and signed on behalf of the Board by:

Laurent
DE LA HOGUE
| CHAIRMAN |

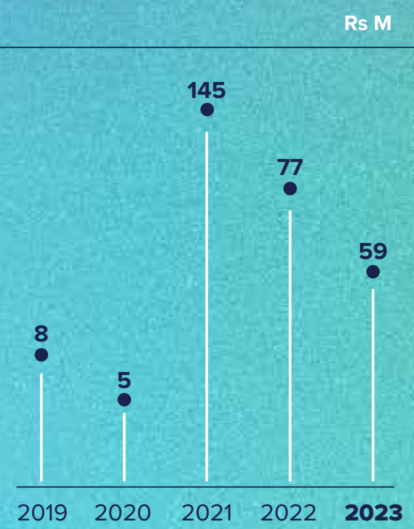
Shahannah
ABDOOLAKHAN
| DIRECTOR |

Together We thrive

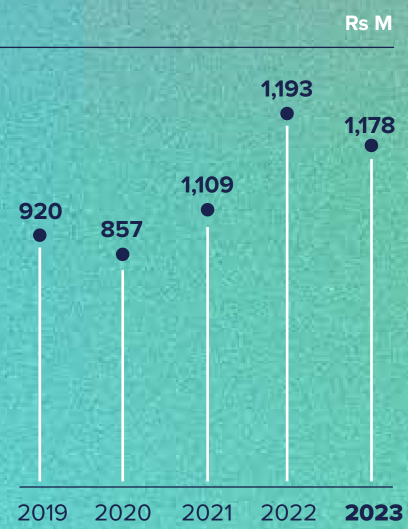
FINANCIAL HIGHLIGHTS

GROUP TURNOVER

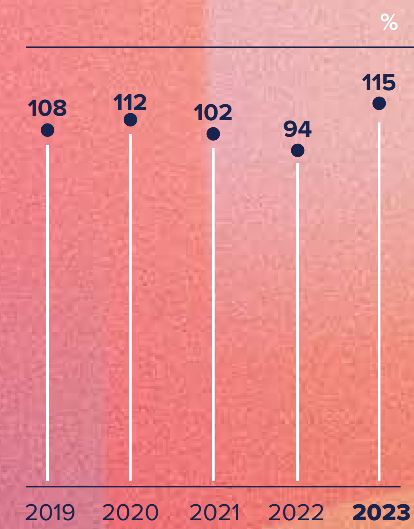
GROUP PBT



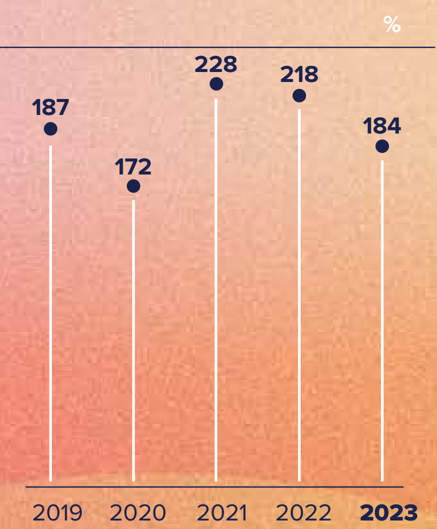
GROUP CAPITAL RESERVE



COMBINED RATIO



SOLVENCY



EIL AT A GLANCE

FINANCIAL HIGHLIGHTS

12% TRANSPORTATION

23% HEALTH

5% ENGINEERING

26% ACCIDENT / LIABILITY / PI

18% PROPERTY

15% MOTOR

EIL AT A GLANCE

NON-FINANCIAL HIGHLIGHTS

Our Human Capital

Our Human Capital composition is as follows:

134 TOTAL HEAD COUNT

84 WOMEN

50 MEN

6.8 years AVERAGE LENGTH OF SERVICE

34.7 years AVERAGE AGE OF OUR PEOPLE

Our Nest

INFORMATION & HISTORY

Eagle Insurance Limited ('EIL') was incorporated in 1973 and has been operational since 1974 on both the individual and corporate markets; it is engaged in the short-term insurance business comprising of Accident, Health, Engineering, Property, Motor and Transportation insurance.

After 27 years of being listed on the Official Market of the Stock Exchange of Mauritius (SEM), EIL was delisted from the SEM following the purchase of the majority of public shares by HWIC Asia Fund. As at 30 June 2023, the shareholding profile of EIL was as follows: IBL Ltd owns 60% of the shares, HWIC Asia Fund holds 39.12% and the remaining 0.88% is held by the public.

This report which forms part of the Annual Report of 2023 can be found on the website of the Company on **https://www.eagle.mu/annual-reports**

Head Office

Eagle Insurance Limited
Eagle House, Hyvec Business Park, 15 A5 Wall Street,
Ebene Cybercity, Mauritius
Tel: +230 460 9200
Website: **www.eagle.mu**

Registered Office

4th Floor, IBL House,
Caudan Waterfront
Port Louis

Branches

Head Office / Ebene Branch
Eagle House, Hyvec Business Park, 15 A5 Wall Street,
Ebene Cybercity, Mauritius
Tel: +230 460 9200

Flacq Branch (Closed in September 2023)

Unit No. 22, La Source Commercial Centre, La Source,
Centre de Flacq
Tel: +230 413 0041

Port Louis Branch

Dr Ferrière Street, Port-Louis
Tel: +230 260 1980

Internal Auditors

KPMG

External Auditors

RSM (Mauritius) LLP

Actuary

QED Actuaries & Consultants (Pty) Ltd

Bankers

ABSA Banking Corporation Limited
AfrAsia Bank Limited
BCP Bank (Mauritius) Ltd
The Hongkong & Shanghai Banking Corporation Limited
The Mauritius Commercial Bank Limited

Legal Advisor

BLC Robert & Associates

Reinsurance broker

EllGeo Re Ltd
Tysers Insurance Brokers Limited

Principal Reinsurers

Africa Re
Swiss Re

Investment Manager

EKADA CAPITAL LTD

Company Secretary

IBL Management ltd
4th Floor, IBL House,
Caudan Waterfront
Port Louis

Share Registry and Transfer Office

As a shareholder, if you have any queries regarding your account, or wish to change your personal details or have any questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:

MCB Registry & Securities Limited
Tel: +230 202 5000
9th Floor, MCB Centre,
Sir William Newton Street,
Port Louis

COMPANY'S LANDMARK EVENT

1974
Start of Operations

1993
Listing on the Stock Exchange of Mauritius (SEM)

1996
Acquisition of a 15% stake in H.Savy Insurance Company Limited (Seychelles)

1998
Relocation to new premises at Caudan

2001
Establishment of a Leasing Company

2002
- Launch of its corporate website
- Opening of first branch in Flacq

2005
Increase in stake in H.Savy Insurance Company Limited to 20%

2013
ICT Excellence Award 2013 for Website of the Year

2015
Change in shareholding to 13% in Mauritian Eagle Leasing Co Ltd (MELCO)

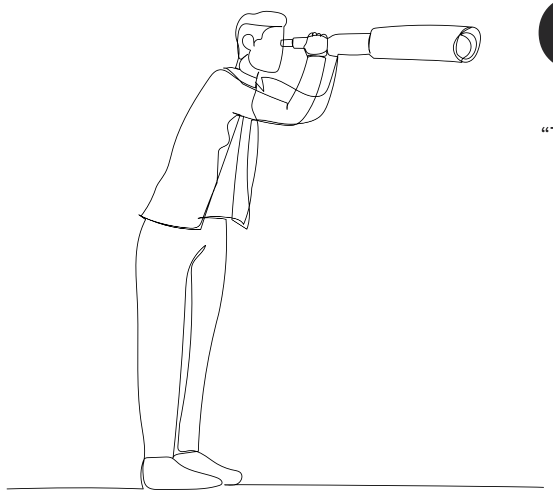
2016
Listing on Stock Exchange of Mauritius Sustainability Index (SEMSI)

2018
Disposal of remaining 13% shares in MELCO

2019
- Celebration of 45th anniversary
- Rebranding - Change of name to Eagle Insurance Limited
- Relocation to new premises in Ebene

2020
- Acquisition of 30% shares in Medscheme (Mtius) Limited
- Delisting from the SEM since 15 July 2020

VISION & MISSION STATEMENTS

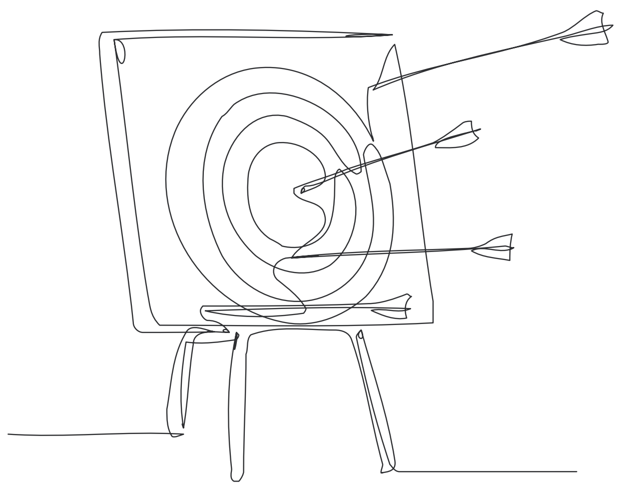


OUR VISION

"To be the preferred insurance specialist that goes beyond boundaries to create value"

OUR MISSION

"We passionately provide comprehensive, customised and state of the art insurance solutions through innovation and operational excellence."

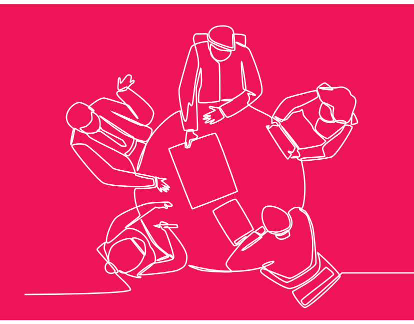


VALUES

Being part of the IBL group of companies, the Directors and the employees of Eagle Insurance adhere to the Values, Mission and Vision ('VMV') of IBL Ltd ('IBL') which are as follows:

People 1st

Respect, Talent Development, Collaboration, Recognition and Empathy



Passion

Positive Energy, Engagement, Driven and Inspired

Excellence

"Above and Beyond", Customer Focus, Expertise and Continuous Improvement

Responsibility

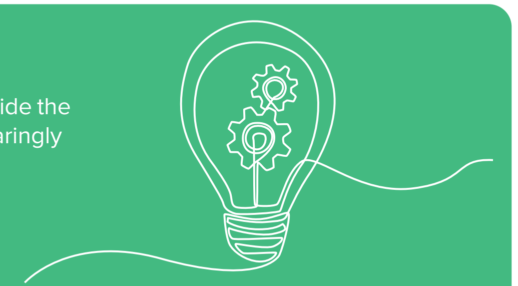
Citizenship, Accountability, Sustainability and Humility

Integrity

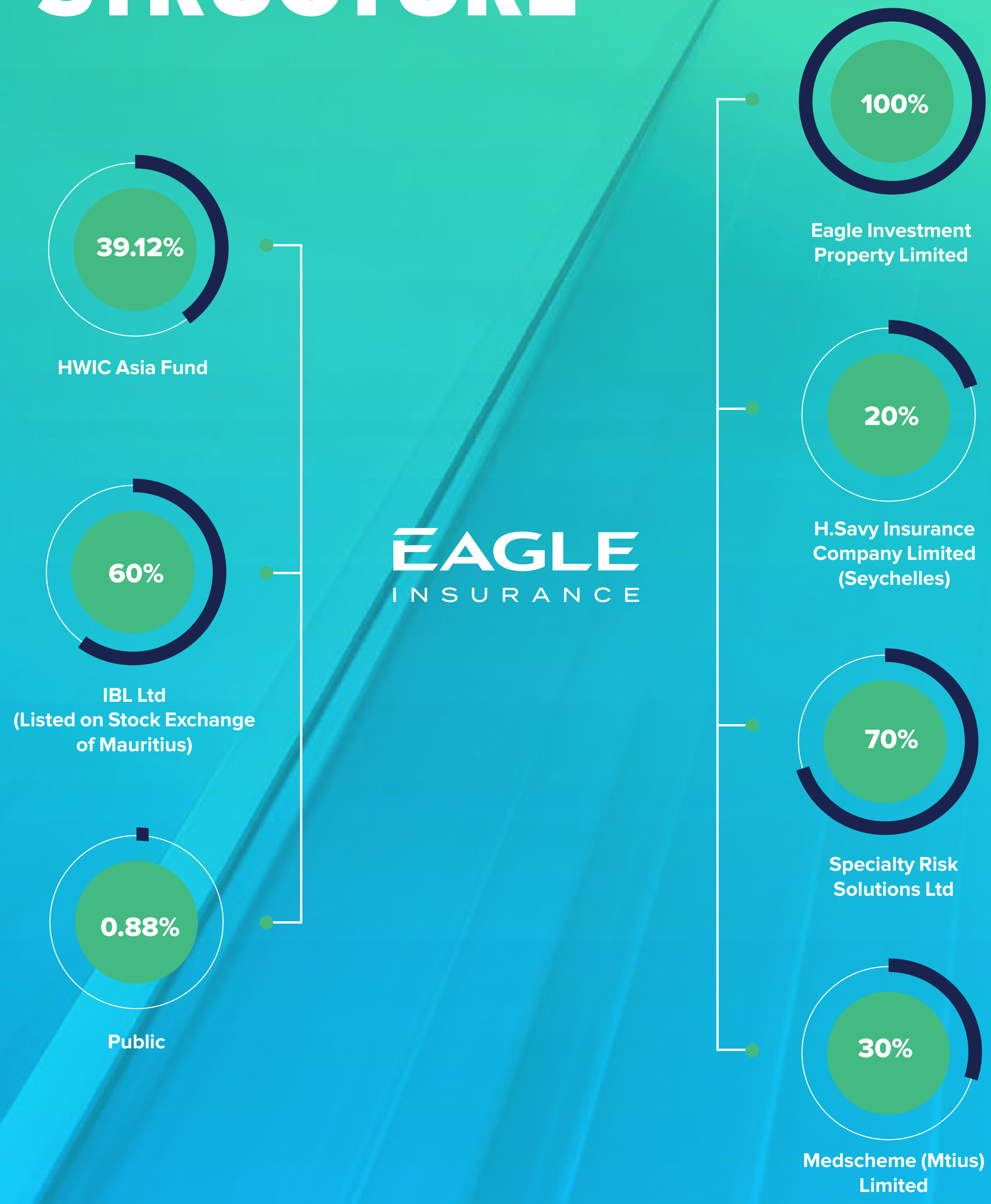
Ethical, "Walk the Talk", Honest and Real, Loyal

Creativity

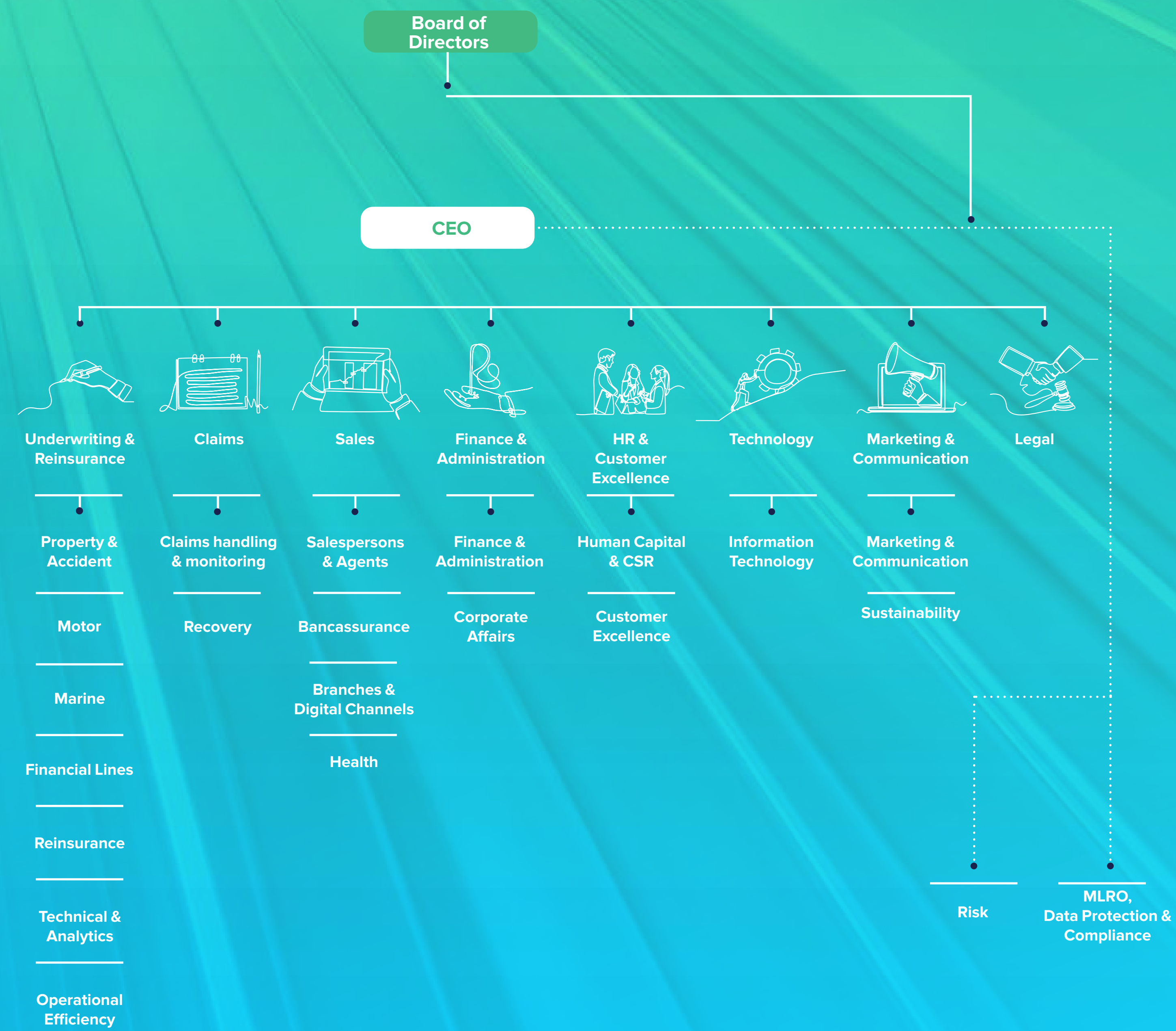
Innovation, "Think outside the Box", Open-minded, Daringly Enterprising



GROUP STRUCTURE



ORGANIGRAM



The Board of Directors is composed of three independent non-executive directors, five non-executive directors including the Chairman and two executive directors. The Board also has three committees, namely The Audit and Risk Committee, The Corporate Governance Committee and The Investment Committee. More details can be found on page 50 of the annual report.


TRUST

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to introduce the Annual Report of Eagle Insurance Limited for the year ended 30 June 2023.

The year was one that included major changes and achievements in the face of industry-wide difficulties on the domestic market as well as higher reinsurance costs on the international front. In line with our strategy for strengthening our Group's operations and performance, the Board approved the recruitment of a new CEO, Mr Sattar Jackaria, a transition to new people and functions in part of the Company's top management, as well as minor enhancements in the implementation of our Transformation plan. The latter will be a catalyst for the Company's pursuit of continued growth and dependability. I wish to commend, in that context, the work of the former CEO, Mr Derek Wong Wan Po, who retired in February 2023.

A strategy for strengthening and innovating

The position of Eagle Insurance on the Mauritian market is a strong one. The Group is financially sound, geared to customer service, and demonstrates its resilience with fifty (50) uninterrupted years of reliable service delivery - a milestone that will be reached in December 2023.

The Board has developed a strategy to reinforce the position of Eagle Insurance on the domestic market with a vision to enhance the customer experience and conquer new segments. Reshaping and upgrading our core system, including the digitalisation of external and internal interfaces and processes, has been underway for two years now. The Board has approved additional investments during the year under review in order to optimise the implementation and efficiency of the system, which is now expected to be operational during the calendar year 2024.

The new system will be one of the pillars of our strategy for adding a better share of the B2C market to our operations. The second pillar will cover the broad fields of external communication, both in depth and breadth, including all marketing initiatives. Communication is indeed an area where we are slightly lagging behind our competitors despite a robust offering. The third one - with common impetus from the Corporate Governance Committee of the Board and the top management of the Company - is to make Eagle Insurance an even stronger employer of choice, aiming at having, and attracting high caliber talent to better reach our goals.

A record year with positive outlooks

The Group's results show a strong balance sheet. Despite adverse conditions, the net results are positive, with profits after tax at Rs 51m generated from record premium revenues at Rs 1.9bn. H. Savy Insurance Company Limited (based in Seychelles) and Medscheme (Mtius) Limited, our Associated Companies, significantly contributed to the Group's bottom line.

The Board is confident that with such results obtained in a very difficult context for FY 2022-2023 - namely inflation, volatility in forex rates and rising claims costs - the outlook is positive for Eagle Insurance in the years to come, with recovery as from FY 2023-2024.

Our transformation strategy, new leadership, as well as the continued inputs in expertise from our main shareholders and directors from Mauritius and South Africa, will further support the Group's progress toward better efficiency and growth.

Eagle Insurance's financial muscle, solid base of reinsurance and internal skills were also demonstrated by our ability to approve the claim of over Rs 1 bn - the highest ever in Mauritius - from Lux Island Resorts consequent to the fire that hit Lux* Belle Mare hotel in July 2022.

Challenges and opportunities

The Motor sector remains highly challenging for the whole insurance industry. It has been affecting our financial performance for the past few years. Costs for spare parts and repairs rose even more steeply during FY 2022-2023 because of inflation and unfavourable forex rates, with a multiplier effect caused by the increase in the number and gravity of accidents. Driver attitude is one of the causes – among many others – of accidents, and one about which we could have the opportunity to collaborate with our partners to find ways to contribute to a change in mindset by leveraging on insurance-specific tools.

Claims linked to extreme weather events and increased healthcare costs have also impacted our results during the year under review. The Healthcare sector is going through essential developments with the expansion of existing players and the start of operations of a new major service provider with a planned presence in various locations in Mauritius. We have taken on board the rising rates from private hospitals and health practitioners during the past year and worked on solutions to preserve our customer satisfaction while minimising the impact of thinner margins in our operations. The new year will be one of further adjustments for a better balance between client and company interests while working with partners from the Healthcare sector in line with the Board's vision.

The Mauritian market provides opportunities to be tapped. Our strategy for a more agile and profitable company is being implemented with customer experience, digitalisation, communication, and client base diversification at its roots.

We will continue to focus on bringing the ongoing projects to fruition and reinforcing our position on the domestic market, before actively planning regional expansion in line with the vision of the Company and our main shareholders.

Acknowledgements

The support and expert contributions of my fellow Board members have been instrumental in fine-tuning our strategy and preserving our Group's performance. I also wish to welcome and thank our new CEO. I look forward to working with him to transform Eagle Insurance into an even more prominent company. His predecessor has contributed to last year's performance before he retired in February 2023, and I wish to thank him for his stewardship.

I also commend the work of the staff of Eagle Insurance. The support of our reinsurers, of our brokers, and of our partner, Bryte Insurance, has always been instrumental in our success, and I appreciate our fruitful collaboration during the year.

Finally, I wish to thank our shareholders and our customers, whose trust is also key for our company to continue its journey after half a century of achievements.

Laurent DE LA HOGUE

| CHAIRMAN |

CEO'S MESSAGE

Dear Privileged Partners,

In the year when Eagle Insurance will be celebrating its golden jubilee, I am deeply honoured and humbled by my recent appointment. I am committed to building on this legacy to drive the Company's growth and success forward and I would like to thank the Board for its trust in me. We have met many challenges during FY 2022-2023. Our company has demonstrated its resilience, adaptability and shrewdness, supported by our team, business partners, in Mauritius and abroad, clients, and brokers - with encouraging financial results.

Insurance industry landscape

During the year under review, the local economy has continued its recovery from the pandemic and most sectors are nearing pre-Covid levels. The war between Russia and Ukraine has, however, put additional pressure on prices of food, oil, and gas, leading to persistent high rates of inflation globally. Mauritius has not been spared. Inflation for the year rose to around 10.5%.

The insurance industry, including Eagle Insurance, have benefited from this economic recovery - with historic levels of premiums written for the Company. On the other hand, we have been severely impacted by rising inflation, which has increased the cost of claims - particularly in our Motor and Health lines of business. Most of office workers have returned to the office, making our roads overcrowded again. That has led to a significantly higher number of, and severity of, accidents and, most regrettably, an increase in casualties. We also experienced an exceptional increase in property claims caused by fire breakouts or extreme weather conditions such as cyclones and floods.

Our professionally designed reinsurance programme has helped to mitigate the impact of large claims. However, their higher frequency and severity in both the Motor and the Health categories, coupled with the increased number of property claims, have resulted in an underwriting loss for the year.

Despite these losses, I am pleased of the Group's resilience with a commendable Group profit after tax of Rs 51 m. This achievement stems from our investments and subsidiaries whose performances have more than offset the Company's underwriting losses.

Our People – Our biggest asset

Our people are our biggest asset. We have started a key initiative for improving our Employee Value Proposition by putting the welfare and growth of our personnel at the centre of every decision that we take, in view of becoming an employer of choice.

After a long period of Work From Home since the pandemic started, we have reviewed our internal policy and requested all of our team members to be back at the office, whilst still offering considerable flexibility through a hybrid work policy. Our headquarters is now a lively hive with team members happily interacting and socialising. Fridays are now very special at Eagle Insurance; many activities are organised to reinforce the bonding across departments and among team members.

We have also started to review the organisational structure to ensure that the Company is adequately staffed - to prepare for our expected future expansion. Most of the changes done aim at ensuring that we have a more targeted and focused approach. Some key developments are the creation of a dedicated Marketing & Communication Department and the recruitment of a new Head of Human Capital. I believe that these changes lay the foundations that will enable us to fulfil our objectives and meet the challenges ahead.

Review of activities and of performance

Digital Transformation is a key enabler of our growth and customer satisfaction strategy. In that context, we have continued to work on the implementation of our new insurance system, due to be rolled out in 2024.

IFRS17-Insurance Contracts, our industry's new accounting standard, is in force since January 2023 and our financial statements for next year will be based on this new standard. The finance team of Eagle Insurance has been working diligently with our external consultant for over a year and we have reached the final stages of the implementation.

From a claims' perspective, the year started with the destruction of Lux* Belle Mare by a rampant fire on the 2nd of July 2022. Following a meticulous claim assessment process, we are pleased to have honoured our insurance promise to Lux* by accepting a claim of over 1 billion rupees – the highest ever paid in Mauritius to date. I was relieved that, in line with our risk management framework, we had used high quality reinsurers that have the financial muscle to pay such a big claim.

Looking at our financial results in more detail demonstrates our growth and resilience in light of the adverse market conditions we faced.

- Gross written premiums have increased by 19% to an all-time record at Rs 1.92bn fed by almost all lines of business. It is worth mentioning that we reached Rs1bn of turnover after forty years, but it only took us another ten years for the next Rs 1bn.
- Net written premiums also increased by 17% to reach Rs 579m.
- A significant increase in claims (as explained above) has however impacted our results; our combined ratio worsened from 94% to 115%. That is equivalent to a swing from Rs 31m of profit to a loss of Rs 81m.
- Our investment portfolio yielded remarkable returns. Combined with the continued good performance of our two main subsidiaries, it allowed us to turn around the loss into a commendable profit after tax of Rs 5m - albeit lower than last year's Rs 61m.

Targeting new markets

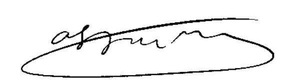
We have a very strong position on the B2B market, including excellent collaboration with brokers. The Company ranks third in the Mauritian general insurance landscape. However, our image and our presence on the B2C segments are not on a par with that. Eagle Insurance has very appealing offerings, a customer-oriented corporate culture, a new user-friendly digital platform in the making and a proven history of trustworthiness. We must take advantage of these assets. I am fully aware of the challenges of the B2C segment and of the fierce competition on the market. I am nevertheless confident that by leveraging on these strengths and with a much better visibility and brand awareness, we will start to make inroads into that segment.

Acknowledgements

As I start on this journey with Eagle Insurance, I would like to thank the Board of Directors again for their trust in me and for all the support that they have already provided. I also express my sincere appreciation to all the team for having welcomed me within the Eagle Insurance family with open arms, as well as for all their hard work and dedication during the year.

Even if I have been in the job for only a few months, I have to say that I am privileged to be surrounded by such a passionate, humble, and hard-working team of professionals.

I am confident that we will soar to new heights together!



Sattar JACKARIA

| CEO |

CHIEF UNDERWRITING OFFICER' S MESSAGE

Dear Shareholders,

During the past financial year, we achieved an increase in gross written premium that was driven by our ability to attract new business, service to our existing portfolio, and the enhancement of our market presence.

We, however, had to acknowledge an underwriting loss, mainly due to a surge in claim frequency, a higher severity of accidents (compounded by the relentless rise in inflation that had an adverse effect on the costs of spare parts), as well as escalating healthcare expenses and an increase in reinsurance costs.

Our ratios and improvement strategies

We have recognised the disparity between our performance and industry benchmarks and have therefore developed strategies to address this challenge thanks to the following measures; we are intensifying our use of data analytics for precise risk assessment, refining pricing models, and optimising claims management - all aimed at improving our loss ratios. Secondly in response to rising claim severity, we are continually refining our pricing models and risk assessment procedures to ensure they are fully aligned with the evolving risk landscape.Lastly we are committed to streamlining our claim management processes to expedite settlements and reduce associated costs, thereby enhancing customer satisfaction.

Changes in underwriting guidelines and risk management

In order to tackle emerging risks, including concerns with respect to climate change, inflation, and repair costs, we have taken the following steps:

- **Weather-related risks**: We have proactively updated our underwriting guidelines to account for weather-related events (more specifically, flooding and cyclones), which demonstrates our commitment to rigorous risk management; and
- **Inflation and Repair Costs**: We acknowledge the impact of inflation and the rising costs of healthcare and vehicle spare parts. Adjustments have accordingly been made to our underwriting guidelines, reflecting these economic realities more accurately in our pricing models and risk assessments.

Importance of data analytics

Data analytics continues to play an indispensable role in our underwriting strategy. The Company is consolidating this department to further elevate our capabilities in the following areas:

- **Precision in risk assessment**: We are committed to leveraging advanced data analytics techniques to enhance the precision of our risk assessments.
- **Pricing model enhancement**: Data analytics will be pivotal in refining our pricing models to ensure they are competitive and aligned with market dynamics.
- **A culture of learning**: The new data analytics department will continue to foster a culture of continuous learning, data-driven decision-making, and innovation throughout the Company.

Professional development and training programmes

Our unwavering commitment to the professional development of our team is pivotal. We actively encourage our colleagues to stay at the forefront of the industry.

- Insurance courses: We provide opportunities for our personnel to attend relevant insurance courses that enrich their knowledge and skills (e.g. via the Insurance Institute of Mauritius, the Financial Services Institute, Africa Re's Young Insurance Professionals Programme).
- CII exams: We support our staff in sitting for Chartered Insurance Institute (CII) exams, which are internationally recognised certifications that elevate their qualifications and expertise.
- Soft skills: With a view to fostering comprehensive professional development, our team members are strongly encouraged to follow a wide range of courses that encompass both insurance-related topics and essential soft skills.

Outlook for the next Financial Year

We are cognisant of the challenges that lay ahead for the next financial year. The hardening of the reinsurance market, the persistent rise in inflation, soaring spare parts costs, and escalating healthcare expenses compel us to adapt our businesses. We have accordingly taken necessary steps.

Firstly, we are raising awareness about reviewing sum insureds and limit of liability. We are also recognising the inevitability of a general increase in premiums for new business or renewals in order to maintain the sustainability of our business as well as continuous improvements to our quality of service and acknowledging the unique challenges posed by the hardening reinsurance market and the tumultuous global environment.

Conclusion

Dedication to prudent underwriting practices and our resolve to adapt to changing market dynamics guide our path forward. Our world has experienced significant upheaval, but with steadfast commitment and resilience, we are prepared to face these challenges head-on, maintaining our commitment to excellence in underwriting.

Winson CHAN CHIN WAH

| **CUO** |

DIRECTORS' PROFILES

Laurent DE LA HOGUE

CHAIRMAN & NON-EXECUTIVE DIRECTOR

Appointed: *25 May 2016*
Chairman: *6 May 2022*

Laurent holds a Masters' degree in Management and Finance from the 'Ecole Supérieure de Gestion et Finance' of Paris, France. He also completed a Risk Management Programme from INSEAD, Singapore and a General Management Programme from ESSEC Business School. He started his career with an international bank before joining GML Management Ltée in 2001 as Treasurer where he was involved in the setting up of the group central treasury management unit and in development of projects. He is the Head of Financial Services of IBL Ltd since July 2016. He served as Director on a number of organisations operating in the industrial, commercial, financial (regulated entities) and investment sectors. He was the Non-Executive Chairman of IBL Treasury Ltd until 30 June 2023 and is currently the Non-Executive Chairman of Ekada Capital Ltd and EIL.

Directorships in companies listed on the Stock Exchange of Mauritius: Lux Island Resorts Ltd

Shahannah ABDOOLAKHAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: *22 October 2021*

Shahannah is a Senior Business Leader, Independent Director / Non-Executive Director and AML-CFT Compliance Specialist, expert in guiding the implementation of governance, risk and compliance (GRC) structures for Financial Services and DNFBP sectors. She has over 18 years' experience in the banking and financial services sector, locally and internationally having worked for the Regulator and Banks. She set up her own company, Abler Consulting in 2017 in Mauritius and Abler Compliance in Mainland Dubai in 2022.

Shahannah holds an MBA from Oxford Brookes University, UK. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Fellow of the International Compliance Association (FICA). She is a member of the GCC Board of Directors Institute and the Dubai Business Women Council (DBWC).

Directorships in companies listed on the Stock Exchange of Mauritius: Phoenix Investment Company Limited and EKADA India Focus Fund.

Jacob Pieter (JP) BLIGNAUT

NON-EXECUTIVE DIRECTOR

Appointed: *4 December 2019*

JP is the Chief Executive Officer at Bryte Insurance Company. Bryte is a P&C insurer with specific focus on commercial and corporate insurance in South Africa.

JP has more than 25 years' insurance experience across Africa, Europe, Asia and India. JP joined Zurich South Africa as Chief Underwriting Officer in 2012 as part of the leadership team that delivered the business turnaround, where after Fairfax Financial Holdings acquired the business in December 2016. Prior to joining Zurich Insurance, he was the Chief Actuary for RSA Insurance Group plc in its Middle East, India & Asia region where – apart from the various statutory duties – he was responsible for building actuarial and pricing capabilities across eight countries. JP started his career at the Sanlam Group in various roles across South Africa and London.

JP graduated with a BCom (Hons) Cum Laude degree from the University of Stellenbosch and was a Fellow of the Faculty of Actuaries UK (2002-2017).

Winson CHAN CHIN WAH

EXECUTIVE DIRECTOR & CHIEF UNDERWRITING OFFICER

Appointed: *3 December 2019*

With more than 25 years of experience in the general insurance industry, Winson is currently the Chief Underwriting Officer of Eagle Insurance and is responsible for the Property, Casualty, Marine, Motor and Reinsurance Departments. He started his career with the Mauritius Union Assurance and joined Eagle Insurance in 2004 where he successively occupied the post of Underwriting Manager, Motor Manager, Marine Manager and Head of Corporate and Marine. He is an ACII, Chartered Insurer and a member of the Insurance Institute of Mauritius.

Winson serves on the Board of H.Savy Insurance Company Limited (Seychelles).

Jean Paul CHASTEAU DE BALYON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: *22 October 2021*

Jean Paul joined Swan Insurance Company Limited in 1969 as underwriter, general insurance. He has subsequently occupied the posts of Group Company Secretary and Deputy Executive Manager (Administration). At the time of his retirement in June 2012, he was also Director of LUX* Island Resort Ltd (Member of its Audit and Risk and Corporate Governance committees), Council member of the Mauritius Chamber of Commerce and Industry (member of its Nomination and Remuneration Committee), member of the Stock Exchange of Mauritius Consultative Committee, as well as the Chairperson of the sub-committee of the Insurer's Association on issues linked to the World Trade Organisation (WTO). He still acts as Director of companies in the hospitality and tertiary education sectors. Jean Paul is a Fellow member of the Mauritius Institute of Directors (MIoD).

Directorships in Listed Companies: Tropical Paradise Co. Ltd.

Dipak CHUMMUN

NON-EXECUTIVE DIRECTOR

Appointed: *19 March 2015*

Dipak worked and qualified as a Chartered Accountant with PwC in London in Audit and Consulting and later moved to Singapore to join PWC's Banking Division; advised several clients on expanding their businesses in the Asia Pacific region. He shifted to the banking industry and over nearly two decades, developed his career with Standard Chartered, Barclays, Emirates NBD and Deutsche Bank. Dipak held various senior Group, Regional or Country positions at the various banks in Corporate and Investment Banking, Strategy, M&A, Risk and Finance in London, Dubai, Singapore and Frankfurt, largely focusing on growing emerging market businesses.

He joined Ireland Blyth Limited on 1 January 2015 as Executive Director and Group Chief Finance Officer and after the latter's amalgamation into IBL Ltd, was appointed Group Chief Finance Officer of IBL Ltd on 1 July 2016.

Dipak is an experienced board member and is currently the Chairman of the Stock Exchange of Mauritius; He is also a recognised person in the finance profession and sits on the Council of ICAEW in the UK.

DIRECTORS' PROFILES

Sattar
JACKARIA

EXECUTIVE DIRECTOR &
CHIEF EXECUTIVE OFFICER

Appointed: *7 April 2023*
CEO: *1 July 2023*

Sattar is a Fellow of the Institute and Faculty of Actuaries (UK) and holds a BSc (Hons) in Mathematics, Operational Research, Statistics & Economics from the University of Warwick, UK.

Sattar started his career in 1999 by spending 7 years in London working for a global actuarial consulting firm. He then returned to Mauritius in 2006 to join Swan Life Ltd as Senior Manager of its Actuarial Department. During his time at Swan, he performed various functions including pensions & investment advisory, reserving, pricing & product development.

In 2016, Sattar joined IBL Ltd as Head of Financial Services. He was then working in close collaboration with the CEOs and senior management of the various companies of IBL within the financial services cluster to develop their strategic plans as well as ensuring that these initiatives are properly implemented. As part of his role, he was also a member of the Board of many of these companies.

Sattar is currently serving on the Boards of Medscheme (Mtius) Limited, DTOS Holdings Ltd and The Bee Equity Partners Ltd.

John Edward
O'NEILL

NON-EXECUTIVE DIRECTOR

Appointed: *17 February 2020*

Serving at the helm as Group CEO of Bryte Africa Group, John Edward has been instrumental in the growth of the insurance business in Southern Africa, achieving various milestones since joining in 2012. Over the years, John Edward initiated a range of operational efficiencies to enhance business resilience, augment relevant innovation and accelerate business growth – all while differentiating the Bryte business and embedding its partnership approach.

Under his leadership, the emphasis on empowered and happy employees, customer service excellence at every touchpoint, and committed partnerships across the business value chain have remained non-negotiables. While people development is John Edward's greatest passion, secondary to this is his passion for financial services. He is a qualified chartered accountant with extensive auditing experience across retail and stockbroking, treasury, corporate and investment banking, and securities trading. Combined with his in-depth short-term insurance expertise, his career spans almost three decades, half of this time spent in executive positions.

John Edward also actively serves on the Boards of Bryte Africa Group, Bryte Insurance, Bryte Risk Services Botswana, AFGRI Group Holdings, Access Bank South Africa.

Cynthia
PARRISH

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Appointed: *9 March 2020*

Cynthia is a partner and the Chairwoman of Praetorium Capital Investment, LLC, a UAE-based Private Fund Investment company.

She was formerly the Chief Legal Counsel of Musa Group (Pty) Limited, an investment advisory and private equity firm based in Johannesburg, South Africa; and, the Managing Director of Musa Group Mauritius Ltd, a Mauritius-based fund management company.

Cynthia holds independent non-executive director positions in Levene Energy, Ltd, an integrated Oil & Gas and Renewable Energy company; Eagle Insurance Limited, a Mauritius-based insurance company where she serves as Chairwoman of the Investment and Corporate Governance Committees; and Third Gate Capital Management LLC, a US private investment company.

Cynthia has a Juris Doctorate (J.D.) degree from Nova University in Florida, USA, and a Masters of Law (L.L.M.) in Securities from Georgetown University in Washington D.C., USA.

Yannick
ULCOQ

NON-EXECUTIVE DIRECTOR

Appointed: *24 August 2022*

Yannick holds a Master's Degree in Finance from the University of Montpellier and joined GML in 2008 after having spent a couple of years in the corporate and banking treasury fields.

From 2013 to June 2016, he worked as Treasurer at GML Trésorerie Ltée (now IBL Treasury Ltd) where he was responsible for the cash management and forex dealing operations of subsidiaries and associate companies within the Group. Since July 2016, Yannick is the Head of Treasury for IBL Ltd.

He is a member of the Board of Directors of a number of companies within the IBL Group.

Derek
WONG WAN PO

EXECUTIVE DIRECTOR &
CHIEF EXECUTIVE OFFICER up to 14 February 2023

Derek was appointed Managing Director of Eagle Insurance Limited on 1 July 2014 and served as Chief Executive Officer from 1 July 2017, until his early retirement from the Company on 14 February 2023. He holds a BSc in Computer Science and is a Fellow member of the Association of Chartered Certified Accountant and an Associate member of the Association of Corporate Treasurers. He joined the Corporate Office of Ireland Blyth Limited in 1998 as Head Office Accountant and was successively Group Accountant from 2001 to 2006 and Group Finance Manager from 2007 to 2014.

LEADERSHIP

MANAGEMENT TEAM

1. **Sattar JACKARIA | BSc (Hons) Mathematics, Operations Research, Statistics & Economics (MORSE), FIA**

Chief Executive Officer

Refer to Director's Profile

2. **Winson CHAN CHIN WAH | ACII**

Chief Underwriting Officer

Refer to Director's Profile

3. **Pierre AH SOON | FCCA**

Head of Claims*

Joined in 2004, Pierre has amassed over 19 years of invaluable experience in the insurance industry. At present, he holds the critical role of guiding the activities within our Claims Department. Pierre efficiently oversees the daily operations of this department, which handles Motor, Property, and Accident claims. His extensive expertise is further exemplified by his distinguished status as a fellow member of the Association of Chartered Certified Accountants (ACCA).

4. **Jose ARSENIUS | FBCS, CITP**

Head of Information System and Security*

Joined in 1994. With more than 30 years of experience in the IT sector, José currently manages the IT Services department. He is both a Chartered IT and a Certified Information Security Professional.

5. **Leena BOYJOO SURROOP | BCOM, PG Dip**

Head of Human Capital*

Joined in 2023, Leena is a seasoned HR Professional with more than 13 years of experience in the HR field. She is responsible of driving the HR Strategy and HR Initiatives of the company. Prior to joining Eagle Insurance Ltd, she worked in the Healthcare, Business Process Outsourcing and Insurance Industry and is also an NLP Practitioner. Leena also oversees the Customer Excellence Department.

6. **Olivier CHELLEN | BSc (Hons), ACCA**

Head of Finance

Joined in 2022. With over 15 years of work experience in Audit and Finance, Olivier is responsible for overseeing all finance operations within the Company. Prior to joining Eagle Insurance in 2022, he worked for PricewaterhouseCoopers Mauritius in the audit department. He was then seconded to PricewaterhouseCoopers Zambia in 2011 on a long-term secondment. He left PwC Zambia as an Audit Manager and joined Swan General Insurance in 2019 as Senior Manager Finance and was still based in Zambia. He relocated back to Mauritius in 2020 where he joined Jubilee Insurance as Head of Finance. He holds a Bachelor of Science in Applied Accounting with Oxford Brookes University and is a member of the Association of Chartered Certified Accountants UK.

7. **Rishi IMRIT | MCIM, CRP, Cert CII**

Head of Business Development*

Joined in 2022. With more than 14 years of experience in the Insurance industry, Rishi is responsible of EIL's business related to Health Insurance as well as the 'Bancassurance' and 'SME and Retail' Distribution Channels. He is a Member of The Chartered Institute of Marketing (MCIM), holds a Certificate from the Chartered Insurance Institute (Cert CII) and is a Certified Risk Professional (Federation of European Risk Management Associations).

*Subject to the approval of the Financial Services Commission

MANAGEMENT TEAM

8. Jacqueline SIN FAT | BSc (Hons), MBA

Head of Marketing and Communication*

Joined in 2023. Jacqueline is an accomplished marketing professional with a remarkable 15-year career. Her diverse industry experience, combined with her educational background in Management and an MBA in Marketing, has made her a versatile and strategic leader. She excels in Marketing Management, strategy development, internal communication, and talent branding.

9 Tanya ALLY | BBus Com, ACII

Manager Reinsurance

Joined in 2019. With more than 10 years of experience in the Reinsurance industry, Tanya has been appointed as Manager in July 2022 and is responsible for the Facultative Reinsurance business and Financial Lines Underwriting. She is an Associate Member of the Chartered Insurance Institute of UK and Insurance Institute of Mauritius.

10. Dharvish GHUMONDEE | BSC (HONS)

Manager Technical Analytics - Performance Management

Joined in 2020. With over 7 years of experience in the Actuarial and Finance fields, both in Mauritius and the UK, Dharvish currently manages the Technical, Analytics and Performance Management Department. In addition, he oversees the Reinsurance (Treaty) department, the Data & Processes department and is very involved in the technical side of Health department. Dharvish holds a BSc (Hons) degree in Actuarial Science from Cass Business School (also known as City, University of London) and is a member of the Institute and Faculty of Actuaries (UK).

11. Allen LEUNG YOON SIUNG | Cert CII

Manager - Corporate

Joined in 2012. With over 30 years of experience in the Insurance industry, Allen is responsible for the underwriting of the Fire, Accident, Liability and Engineering classes of insurance. He is a former Council Member of the Insurance Institute of Mauritius.

12. Karen NG CHEONG SANG | BSc, Dip CII

Manager - Corporate

Joined in 2015. With over 10 years of experience in the Insurance industry both in Mauritius and in Australia, Karen is responsible of the day-to-day operations of the Corporate Department. She holds a BSc degree in Actuarial Science from the University of Melbourne and is a member of the Insurance Institute of Mauritius.

13. Bruno CHAN SIP SIONG | BSc (Hons)

Information Systems Manager

Joined in 1995. With more than 25 years of experience in the IT field, Bruno is responsible for the day-to-day operations of the IT Services Department and end-user support. His other areas of responsibility include the maintenance of insurance systems.

*Subject to the approval of the Financial Services Commission

MANAGEMENT TEAM

14. Michael CHOW-AH-HU | BSc (Hons), BBA, MBA

Manager - Motor Underwriting

Joined in 2019. With over 15 years of experience in the Insurance industry, Michael currently manages the day-to-day operations of the Motor Department. He holds a BSc (Hons) degree in Business Administration and an MBA. He is also a member of the Insurance Institute of Mauritius.

15. Rayushi GAYA | LLM

Legal and Compliance Manager

Joined in 2021, with more than 7 years of experience across Regulatory Compliance and Risk Management. Rayushi heads the company's compliance function and is equipped to handle compliance risks in line with the changing laws, anti-fraud & corruption, business ethics and Data Protection. She is specialised in Corporate Law and holds an LLM in International Commercial Law.

16. Patrice LIM KEE CHANG | PG Dip, Cert CII, ANZIIF (Snr Assoc) CIP

Manager - Marine

Joined in 2007 after his foundation studies in Perth, Australia, Patrice is in charge of the Marine Department comprising of Underwriting, Claims and Reinsurance. He is currently a Senior Associate and a Certified Insurance Professional at the Australian and New Zealand Institute of Insurance and Finance. He is also a member of the Chartered Insurance Institute of UK.

17. Dheeksheeta SOOKUN | Adv. Dip. ACCA

Risk Officer

Joined in February 2023, Trisha brings over a decade of Auditing and Risk Management expertise from esteemed firms like PwC and EY. Her key responsibilities include establishing and maintaining our Risk Management framework. Previously at MUA Group, she oversaw risk management and business continuity, specialising in Enterprise Risk Management and Strategic Resilience and Crisis Management. Trisha envisions a proactive risk-aware culture that safeguards our strategic objectives.

18. Karina ALCINDOR | BSc (Hons), PG Cert

Assistant Manager - Human Capital

Joined in 2008 from IBL Head Office. Karina plays a crucial role in the efficient management and administration of numerous Human Capital (HC) functions within our company. Her responsibilities also encompass providing pivotal support to HC initiatives and fostering positive employee relations. She is also a member of the Association of Business Executive (ABE) Institute in the UK.

19. Girish SENTOHUL | BA (Hons), Cert CII

Assistant Manager - Claims Non-Motor

Joined in 2015. Girish brings over 15 years of invaluable experience in the insurance industry. He plays a pivotal role in overseeing the daily operations of our Non-Motor Claims Department, ensuring seamless and efficient processes. Girish's commitment to excellence is further highlighted by his membership in the Insurance Institute of Mauritius, showcasing his dedication to staying at the forefront of industry knowledge and best practices.

Proactive

INTEGRATED REPORT

Transformation and Digital Initiatives

Since 2022, we launched our strategic plan to kick-start our transformation journey over the next 5 years.

Designed around our people, customers and partners, this transformation journey will enable Eagle Insurance to become a **customer-centric, digitally enabled and purpose driven insurance company by 2027**.

- **Customer centricity**: One of our main transfomation objectives is to find more effective ways to know our customers, connect with them, understand their needs, and deliver what they want, how and when they want it.
- **Digital enablement**: We aim at drastically enhancing our customer experience by leveraging on both innovation and technology to empower our teams and ecosystem of partners and intermediaries to better service our customers.
- **Purpose**: We plan to articulate and adopt a compelling purpose, that will speak to all our employees, driving and motivating them to better serve our customers.

We are using Human-Centred Design and Agile methodologies to implement transformation initiatives across our 3 pillars of transformation as defined below:

- **Processes & Governance**: Taking into account the customer perspective, we are rethinking and re-designing our policies, procedures and processes, to optimise our ways of working as well as to simplify and enhance our customers' and partners' journeys. The future change of our new core insurance system represents a major opportunity for all the business divisions to engage actively into this processes and governance re-engineering initiative. It is also an opportunity for the team to reassess internal capabilities and reinforce cybersecurity, AML/CFT compliance, data governance and protection.
- **Technology & Digital Capabilities**: We have initiated the process of designing, integrating and/or building new digital tools, functionalities (e.g., digital payment ecosystem, e-signature) and products (on top of existing ones such as our online Brokers and Agents platform) to provide a seamless omnichannel experience to our customers. While implementing those new digital solutions we are also starting to build our internal capabilities in terms of data strategy and governance, design thinking and agile product building, through trainings and innovation workshops.
- **People & Culture**: A main pillar of our transformation journey is the culture transformation. At Eagle Insurance, we understand that our people are the biggest enablers of our transformation and are determined to provide the right level of communication, support and accompaniment for our people to embrace the journey as a team.

INTEGRATED REPORT

Safety and Health

Commitment to a safe and healthy workplace

During the last financial year, several initiatives have been undertaken to improve the safety and health management system at Eagle Insurance.

The Company has registered zero occupational accidents during the year, and this may be attributed to the reinforcement of safety and health practices as well as the conduct of different wellness activities for the well-being of all team members.

Some of the initiatives include:

- Blood Sampling
- Breast Cancer Screening
- Eye Screening
- Talk with Nutritionist

Human Capital

We take the time to celebrate the heart of our Company that has shaped our success: our dedicated team. Our people are not only our greatest asset, but also the driving force behind our achievements. Therefore, we lay emphasis on their growth and well-being by providing ongoing guidance and support at every step of the way of their professional journeys.

For the year ended 30 June 2023, an amount of Rs 1,690,500 (LY: Rs 1,064,625) was invested in Employee Training Programs, thereby cumulating 840 hours of training (LY: 1672 hours) for the whole staff, bringing an average rate of 4.26 hours (LY: 12.57 hours) of training per staff for the year.

The practical reinvention of training and development requires a culture that supports continuous learning through incentives that motivate employees to take advantage of learning opportunities and to help them identify and develop new required skill sets.

At EIL, work life balance is more than just a motto, we make it happen and ensure that our employees engage in different activities which contribute to their growth and the reinforcement of our team spirit.

We have a team of dynamic people which constitute the Happiness Circle who enthusiastically organised a series of fun and memorable activities:

- Hiking
- Gaming tournament
- Halloween party
- Independence Day
- Gourmet break
- Karaoke night

Looking forward, we engage ourselves to nurturing their talents and fostering an environment of collaboration, innovation, and shared achievement. Together, we will soar to new heights.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

EIL is committed to effective corporate governance for the benefit of its shareholders, customers, employees, and other stakeholders based on the principles of fairness, transparency, and accountability. Structures, rules, and processes are designed to provide for the proper organisation and conduct of business within the Company and to define the powers and responsibilities of its corporate body and employees. The Company operates within a well-defined and continuously improving governance framework, recognising the need to adapt to changes in its environment. Consequently, the Board, together with the Management of the Company, is constantly working towards the setting up of the relevant structures and implementing new measures to succeed in the adoption of, and compliance with, the provisions of the Code of Corporate Governance for Mauritius (2016) (the 'Code'), which is based on an "apply and explain basis".

At EIL, we strive to ensure that all the activities of the Company are conducted in such a way as to satisfy the characteristics and apply the essence of the eight principles of Corporate Governance, namely:

Principle 1 – Governance Structure
Principle 2 – The Structure of the Board and its Committees
Principle 3 – Director Appointment Procedures
Principle 4 – Directors Duties, Remuneration and Performance
Principle 5 – Risk Governance and Internal Control
Principle 6 – Reporting with Integrity
Principle 7 – Audit
Principle 8 – Relations with Shareholders and other key Stakeholders

The Company has established a corporate governance practice involving the Board of Directors, Board Committees, Management, Internal and External Auditors, Industry Best Practices as well as established policies and procedures across all operations. This ensures that the business and affairs of the Group are managed according to the highest standards of corporate governance and in the best interest of all its stakeholders.

PRINCIPLE 1 : GOVERNANCE STRUCTURE

The Board of Directors

EIL is headed by a Board comprising of ten Directors, of whom eight are residents in Mauritius and two are residents in South Africa. The ethics of the Board of EIL is such that it has a balanced number of Directors from various backgrounds and having diverse skills, qualifications, and resources for better effectiveness of the Board and by extension of the Company.

The Board bears the responsibility of organising and directing the affairs of the Group in a manner that is in the best interest of shareholders and other stakeholders. It is primarily responsible for, amongst other things, the review and adoption of strategic plans, the overview of business performance, adoption of appropriate risk management systems and the establishment of proper internal control systems.

It is also responsible for continually reviewing the operations, practices, and trends of the Group so that these are in conformity with legal and regulatory requirements in the Insurance industry. The Board retains full and effective control over EIL, delegating the day-to-day running and operational issues to Management.

CORPORATE GOVERNANCE REPORT

Organisational Chart and Statement of Accountabilities

The following principles shape the accountabilities and duties of members of the Board of Directors of EIL. The Board's predominant duty is to supervise the management of the Company's affairs and businesses. The Board is committed to establishing, maintaining, and developing well-structured and adapted governance processes involving the Board, Board Committees and Management. The Board Charter of the Company together with the Terms of Reference for the Board Committees, the position descriptions for the Board Chairperson and Committee Chairpersons, and this Accountability Statement for Directors, form the foundations of the Board's governance system. The Terms of Reference of the Audit and Risk Committee also includes, amongst other things, essential procedures such as whistleblowing and fraud detection. The Directors are expected to work with their fellow directors to fulfil the mandates of the Board and its Committees to ensure best efficiency. The organisation chart for EIL, including the key senior positions and reporting lines within the Company, is set out on page 21 of the Annual Report.

Board Charter

The Board of Directors of EIL has adopted and approved a Board Charter for the Company. The Board Charter is a written policy document which clearly defines the respective roles, responsibilities, and authorities of the Board of Directors (both individually and collectively), and Management in setting the direction and the control of the Company. The Company's Code of Ethics broadly expresses the requirements for all employees to adhere to ethical standards. A revised Board Charter was adopted on 29 June 2021. The Board intends to review and update the Board Charter as and when necessary but at least every five years. The Board Charter is also available on the Company's website.

Code of Ethics and Business Conduct

As per the requirements of the Code, the Board has also approved the Company's Code of Ethics and Business Conduct in September 2017. The Code of Ethics and Business Conduct governs the conduct of the Directors, Management, and employees of the Company and provides clear direction on conduct of business and general workplace behaviour. It includes guidance on health and safety, disclosure of conflicts of interest, maintaining confidentiality and disclosing gift and business courtesies, amongst others. The Board of EIL has recommended that this Code be adhered to by all the employees of the Company.

Management intends to review the Code of Ethics and Business Conduct during the next financial year. The same principle applies to the terms of reference for the Board Committees.

Constitution

EIL's Constitution complies with the provisions of the Companies Act 2001. There are no clauses of the Constitution deemed material enough requiring specific disclosure.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2 : THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

Composition

The Board of EIL is a unitary Board composed of two executive directors, five non-executive directors and three Independent non-executive directors, two of whom are women. The Board is of the opinion that the current membership of the Board of EIL is appropriate in terms of membership and skills. The independent Directors conform to all the criteria set out in the Code. In addition to meeting the requirements of the Insurance Act 2005 and the Companies Act 2001, the Board of Directors has enough diversity in terms of age, educational background, and professional qualifications for better decision-making. The roles of the Chairperson and the Chief Executive Officer have been clearly defined and their respective roles and functions in leading the Company are distinct.

The Board, under the recommendation of the Corporate Governance Committee, is responsible for the appointment of directors who are selected based on their integrity, skill, business acumen, and experience to make sound judgements relevant to the business of the Company.

The following changes have occurred in the Board composition since the publication of the last Annual Report of EIL:

- Mr Derek WONG WAN PO resigned as Chief Executive Officer and Executive Director of the Company effective as of 14 February 2023, following his early retirement from the Company;
- Mrs Natacha EMILIEN resigned as Executive Director of the Company on 31 March 2023;
- Mr Sattar JACKARIA, who had stepped in as interim Chief Executive Officer, was thereafter appointed as Executive Director and subsequently as Chief Executive Officer of the Company on 7 April 2023 and 30 June 2023, respectively.

CORPORATE GOVERNANCE REPORT

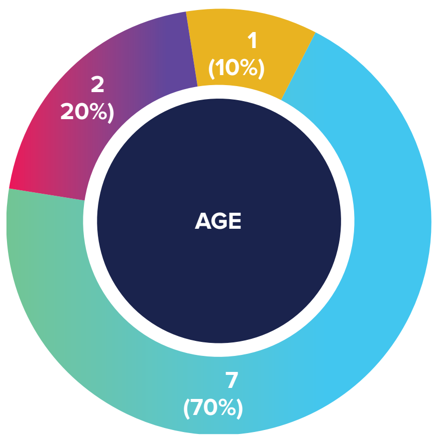
The composition of the Board and the Directors' attendance at board meetings, board committee meetings as well as the annual meeting of shareholders were as follows during the period 1 July 2022 to 30 June 2023.

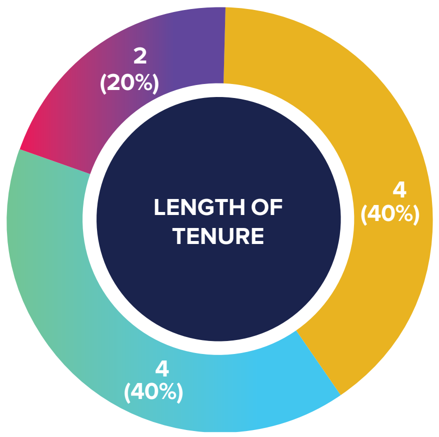
Name of Directors	Category	Board Meeting	Audit and Risk Committee	Corporate Governance Committee	Investment Committee	Annual Meeting
Laurent DE LA HOGUE*	Non-Executive Chairman	6 out of 6	-	5 out of 5	-	✓
Jacob Pieter (JP) BLIGNAUT**	Non-Executive Director	6 out of 6	-	-	-	✓
Dipak CHUMMUN*	Non-Executive Director	6 out of 6	-	-	-	✗
John Edward O'NEILL**	Non-Executive Director	5 out of 6	-	-	3 out of 3	✗
Yannick ULCOQ*	Non-Executive Director (Appointed on 24 August 2022)	6 out of 6	5 out of 5	-	-	✓
Shahannah ABDOOLAKHAN	Independent Non-Executive Director	6 out of 6	5 out of 5	-	-	✓
Jean Paul CHASTEAU DE BALYON	Independent Non-Executive Director	6 out of 6	5 out of 5	5 out of 5	3 out of 3	✓
Cynthia PARRISH	Independent Non-Executive Director	6 out of 6	-	5 out of 5	3 out of 3	✓
Winson CHAN CHIN WAH	Executive Director	6 out of 6	-	-	-	✓
Natacha EMILIEN	Executive Director (Resigned on 31 March 2023)	4 out of 4	-	-	-	✓
Sattar JACKARIA	Executive Director (Appointed on 7 April 2023)	2 out of 2	-	-	-	N/A
Derek WONG WAN PO	Executive Director (Resigned on 14 February 2023)	4 out of 4	-	-	-	✓

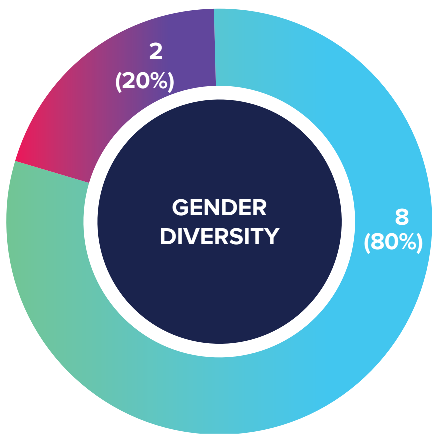
*Appointed by IBL Ltd. | **Appointed by HWIC (Fairfax).

CORPORATE GOVERNANCE REPORT

Balance and diversity







Job Descriptions of key Senior Governance positions

The Board of Directors assumes the responsibility to review and approve job descriptions of key senior governance positions.

Committees of the Board

The Board is assisted in its functions by three committees, namely the Audit and Risk Committee, the Investment Committee, and the Corporate Governance Committee, which also acts as the Nomination Committee as well as Remuneration Committee. These Committees have been set up to assist the Board in accomplishing their duties through a rigorous evaluation of specific duties.

The Chairpersons of the Committees are invited to make regular reports to the Board of Directors during Board Meetings. The Company Secretary also acts as secretary to the Board Committees.

The Committees may have recourse to independent external professional advisors at the expense of the Company, if deemed necessary to help them to perform their duties.

CORPORATE GOVERNANCE REPORT

Committee	Main Responsibilities
Audit and Risk Committee	The Audit and Risk Committee's main responsibility is to assist the Board in fulfilling its oversight responsibilities, to ensure that adequate checks and balances are in place, and risks are properly identified and managed. The Audit and Risk Committee's terms of reference include inter alia: • Considering and reviewing the reliability and accuracy of financial information and appropriateness of accounting policies and disclosure practices; • Examining and reviewing the quarterly financial results, annual financial statements or any other documentation to be published in compliance with the Company's accounting standards; • Reviewing compliance with applicable laws and best corporate governance practices and regulatory requirements; • Reviewing the adequacy of accounting records and internal control systems; • Monitoring and supervising the functioning and performance of internal audit; • Direct interaction with the external auditors at least once a year without the presence of senior management; • Direct interaction with the Internal Audit Manager at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out; • Considering the independence of the external auditors and actuary and making recommendations to the Board on the appointment or dismissal of the external auditors /actuary; • Discussing and agreeing on accounting principles with the external auditor and assessing the effectiveness of the external audit process; • Reviewing the effectiveness of the risk management process; and • Assisting the Board in its duties in evaluating the risks associated with all new projects on an ongoing basis, assessing the probability and impact of foreseeable events on the Company's situation.
Corporate Governance Committee	The Committee is responsible to advise and make recommendations to the Board on all aspects of Corporate Governance that should be followed by the Company, so that the Board remains effective while complying with sound corporate practices and principles. The Corporate Governance Committee advises the Board on key appointments at Board and top Management level and reviews the remuneration structure of the senior management and the Board.
Investment Committee	The Committee's main responsibility is to advise and assist the Board of Directors on matters relating to the investment activities of the Company. The main duties of the Committee are to define, review and evaluate the investment strategy (including mergers and acquisitions) for recommendation to the Board. The Committee must perform all the functions as is necessary to fulfil its role as stated above and including, but not limited to the following: • Review and amend as and when required, the investment policy and strategy; • Set structures and processes for carrying out its role; • Select Investment Managers to manage a defined portfolio, on the basis of relevant competencies and compliance standards; • Select and monitor the planned asset allocation; • Make ongoing decisions relevant to the operational principles of the investment strategy; • Supervise and ensure the proper implementation of the investment projects approved by the Board; • Handle any other tasks which the Board may at any time delegate to the Committee; and • Optimise the returns of the investment portfolio and engage with the fund manager.

CORPORATE GOVERNANCE REPORT

Audit and Risk Committee

The membership of the Audit and Risk Committee as at 30 June 2023, was as follows:

- Ms Shahannah ABDOOLAKHAN (Chairperson);
- Mr Jean Paul CHASTEAU DE BALYON; and
- Mr Yannick ULCOQ.

The Committee met five times during the year under review and confirmed that they have discharged their responsibilities to the best of their capabilities for the year under review.

Corporate Governance Committee

The membership of the Corporate Governance Committee as at 30 June 2023, was as follows:

- Ms Cynthia PARRISH (Chairperson);
- Mr Jean Paul CHASTEAU DE BALYON; and
- Mr Laurent DE LA HOGUE.

The Corporate Governance Committee met five times during the year under review.

Investment Committee

The membership of the Investment Committee as at 30 June 2023, was as follows:

- Ms Cynthia PARRISH (Chairperson);
- Mr Jean Paul CHASTEAU DE BALYON; and
- Mr John Edward O'NEILL.

The Committee met thrice during the year under review.

Company Secretary

The Company Secretary, namely IBL Management Ltd, comprises a team of experienced company secretaries providing support and services to the companies of the IBL Group. As governance professionals, the company secretaries guide the Boards on corporate governance principles and on their statutory duties and responsibilities.

IBL Management Ltd ensures compliance with EIL's Constitution as well as all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board. The Company Secretary provides guidance to the Board as a whole and to Directors individually. The Company Secretary also advises the Board on matters of ethics and good governance and serves as a focal point of contact within the Company for shareholders. The Company Secretary is also the primary communication channel between the Company and the regulatory authorities. The Company Secretary also maintains an updated Directors' Interest Register.

In its advisory role, the Company Secretary provides support and advice to companies of the Group on corporate transactions and projects.

PRINCIPLE 3 : DIRECTOR APPOINTMENT PROCEDURE

Directors' appointment procedure

The Board acknowledges responsibility for the appointment of Directors and ensures that a formal and transparent procedure is followed and adhered to for the choice and appointment of new Directors. The process of considering, vetting and recommending new Directors to the Board is undertaken by the Corporate Governance Committee.

In accordance with the Company's Constitution, the Board may fill vacancies or appoint new Directors on the Board at any point in time during the year. After the approval of the Company's Board of Directors and the Financial Services Commission, the said appointments will then be ratified at the subsequent Annual Meeting of Shareholders. This flexibility of the Board is, however, limited by the maximum number of Directors as fixed by the Constitution of the Company.

CORPORATE GOVERNANCE REPORT

Board Induction

The Board of Directors is responsible for ensuring that all newly appointed Directors to the Board receive proper induction to the Company and the Board practices. The Board normally delegates this responsibility to the Company Secretary. The Company Secretary, in turn, prepares an induction pack for newly appointed Directors. The induction pack normally contains the following documents:

- The Company's Constitution and Board Charter;
- Salient features of the Securities Act;
- Extract of Companies Act 2001 listing the duties and responsibilities of Directors;
- Latest Annual Report of the Company;
- Calendar of meetings for the year;
- Statutory information about the Company;
- The Code of Ethics and Business Pack; and
- A presentation from Management.

The newly appointed Director(s) may also request a meeting with the CEO or any other executives of the Company where and when necessary.

Professional development and training

The Board encourages all its members to keep abreast of the latest updates within the insurance sector and in the professional field. In this context, Directors are invited to attend relevant workshops or courses. The Directors followed a training on Anti-Money Laundering/Countering of. Terrorism Financing (AML/CFT) organised by the Compliance Officer of EIL during the year under review.

The Directors of the Board, being all professionals, do engage in continuous professional development programs on an individual basis.

Time Commitments

Directors are expected to dedicate such time as is necessary for them to effectively discharge their duties. Board Members have a duty to act in the best interests of the Company and are expected to ensure that their responsibilities do not impinge on their responsibilities as Directors of EIL.

Succession Planning

The Board assumes full responsibility for succession planning and stays guided by its main shareholders in the matter. The Corporate Governance Committee oversees and reviews succession plans from time to time for the CEO and Board members which is then recommended to the Board.

The Committee carries out a due diligence process to determine the suitability of every person who is being considered for appointment or reappointment as a Director of the Board.. The Committee shall evaluate the suitability of any such person based on factors such as educational qualification, experience, track record and recommend his or her candidature to the Board.

PRINCIPLE 4 : DIRECTORS' DUTIES, REMUNERATION AND PERFORMANCE

Directors' Duties

The Directors of the Board of EIL are aware of their legal duties and responsibilities. Upon appointment, the Director receives an induction pack as described under Principle 3, which contains a list of their duties. Directors are also informed of relevant amendments to the laws and regulations.

CORPORATE GOVERNANCE REPORT

Interests Register, Conflicts of Interest and Related Party Transactions Policy

The Directors' Code of Conduct contains provisions to prevent insider dealing as well as any potential conflict of interest. An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

None of the Directors of EIL have any interest in the ordinary shares of the Company at 30 June 2023.

Information, Information Technology and Information Security Governance

The Board is responsible for information governance and the management of information technology, and information security governance is managed by EIL's IT function, with the support of IBL's Technology & Digital Transformation function. The budget for capital expenditure is approved by the Board and current capital expenditure is monitored within the approved budget.

Information Security Policy

The purpose of this policy is to establish a management forum that manages the implementation of information security within the Company, to maintain the security of EIL's information processing facilities and information assets. It applies to all employees, contractors, and consultants of EIL. It encompasses several topics such as Management commitment to information security, Information security coordination, allocation of information security responsibilities, authorisation process for information processing facilities and security requirements in third party agreements.

Board Evaluation

Under the leadership of the Chairperson of the Corporate Governance Committee, the last board self-evaluation exercise was conducted by the Company Secretary in August 2021. The Board has implemented the action plan and the recommendations of the Corporate Governance Committee and intends to conduct another board evaluation during the next financial year.

Remuneration policy

The remuneration philosophy of EIL is based on transparency, merit and performance.

The Board has entrusted the Corporate Governance Committee the responsibility for the nomination and remuneration of Directors and members of Board Committees by taking into consideration the market conditions, benchmarking in the industry and the Company's results.

Directors' fees consist of a fixed fee. Any changes to Directors' remuneration are submitted for recommendation by the Corporate Governance Committee. This Committee ensures that the appropriate fees given to the Board Members as well as to the Committee Members are in line with market practice. This is approved by shareholders of the Company at the annual meeting. As such, the Annual Meeting held on 28 December 2022, approved an increase in the directors' fees for the year ended 30 June 2023.

Directors' fees for the year under review is found on page 81. To be noted that the executive directors of EIL receive no directors' fees. The remuneration and benefits paid to the executive directors for the year ended 30 June 2023, are set out on page 82 of the annual report.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 5 : RISK GOVERNANCE AND INTERNAL CONTROL

The Board and management recognise that an effective system of risk management plays a critical role in the setting and achievement of strategic objectives, where risk is defined as any threat or opportunity to the achievement of these objectives.

Managing risk is a key contributor to EIL's long-term success. The approach to operational risk management is governed by prudence, the nature of the regulatory environment, best practice and the competitive situation within which EIL operates.

EIL is committed to continuously improve operational efficiency to increase shareholder value and to find innovative ways of delivering our services, without compromising quality or increasing risks beyond a level that we are willing to accept, and thus, effective risk management is a central part of the financial and operational management of the Company.

As part of this framework, we use a set of principles that describe the risk management culture we wish to sustain:

- **Balancing risk and return**: risk is taken in support of the requirements of our stakeholders, in line with our strategy and within our risk appetite;
- **Responsibility**: it is the responsibility of all employees to ensure that risk taking is disciplined and focused. We take account of our social responsibilities and our commitments to customers in taking risk to produce a return;
- **Accountability**: risk is taken only within agreed limits and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported;
- **Anticipation**: we seek to anticipate future risks and opportunities and ensure awareness thereof; and
- **Competitive advantage**: we seek to achieve competitive advantage through efficient and effective risk management and control.

Internal Controls

Internal controls encompass all the policies and procedures that management uses to achieve the following goals:

- **Safeguard assets** - well-designed internal controls protect assets from accidental loss or loss from fraud.
- **Ensure the reliability and integrity of financial information** - Internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- **Ensure compliance** - Internal controls help to ensure EIL complies with the laws and regulations affecting the operations of our business.
- **Promote efficient and effective operations** - Internal controls provide an environment in which managers and staff can maximise the efficiency and effectiveness of their operations.
- **Accomplishment of goals and objectives** - Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

CORPORATE GOVERNANCE REPORT

Responsibility

Management Responsibility: Management is responsible for maintaining an adequate system of internal control and for communicating the expectations and duties of staff as part of a control environment. They are also responsible ensuring all major areas of the internal control framework are addressed.

Staff Responsibility: Staff are responsible for carrying out the internal control activities set forth by management.

Framework for Internal Control

The framework of EIL's internal control system includes:

- **Control environment:** A sound control environment is created by management through communication, attitude, and example. This includes a focus on integrity, a commitment to investigating discrepancies, diligence in designing systems and assigning responsibilities.
- **Risk Assessment:** This involves identifying the areas in which the greatest threat or risk of inaccuracies or loss exist. To be most efficient, the greatest risks receive the greatest amount of effort and level of control.
- **Monitoring and Reviewing:** The system of internal control is periodically reviewed by management. By performing a periodic assessment, management assures that internal control activities have not become obsolete or lost due to turnover or other factors.
- **Information and communication:** The availability of information and a clear and evident plan for communicating responsibilities and expectations is paramount to a good internal control system.
- **Control activities:** These are the activities that occur within an internal control system. These are mainly, authorisation, documentation, reconciliation, security and separation of duties.
- **Combined Assurance**: EIL's combined assurance model is aligned to the roles and responsibilities as articulated in the three lines of defence risk governance model. There is regular communication between business unit management, heads of control functions as well as independent assurance providers, including internal and external audit. Combined assurance provides the board with comfort that the enterprise risk management and risk governance model are operating efficiently and effectively to manage risk within EIL.

Risk Management Philosophy and Objectives

EIL places particular emphasis on the effective monitoring and management of its risks with a view of maintaining stability, financial soundness, and continuity of operations, as well as achieving its strategic goals as set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy. Mrs Dheeksheeta Sookun was appointed as Risk Officer of the Company following the retirement of Mr Alain Malliaté on 30 June 2023.

In this context, EIL has put in place a Risk Management Framework which constitutes EIL's fundamental attitude towards risk management. A risk management framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

EIL and its Board of Directors oversee that a full and consistent application of the risk management arrangements in place, would adequately address the risks inherent in the risk profile and strategy of the Company and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

The framework:

- links risk appetite to strategic business and capital plans;
- supports a risk-awareness culture;
- sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model; and
- enhances business risk-based decision-making.

Risk Management Culture

The Board recognises that an effective risk management framework requires the existence of a positive risk culture within the business, with clear ownership and accountability for risk. As a leading provider of financial services in Mauritius, it is essential that EIL employees understand their accountabilities and expected standards of conduct.

From its formation, the overarching objective of the Risk function has been to focus on promoting a positive risk culture and building the necessary risk infrastructure commensurate with EIL's size and market position.

EIL's risk culture is enforced through the Code of Ethics and Code of Conduct, ISO 27000, and the leadership framework, as well as through remuneration policies which look to recognise and reward behaviours that reflect the desired risk culture and have appropriate consequences for undesirable behaviour.

EIL's risk culture is also enhanced through:

- Clarity of roles and accountability;
- Transparency and open dialogue in an environment where people feel safe to raise issues or concerns;
- Ensuring alignment with the desired risk culture when engaging with our people, including recruitment, induction, training, reward and recognition; and
- Regularly checking on the health of the risk culture through feedback mechanisms, such as customer surveys, performance appraisals and one to one talk.

CORPORATE GOVERNANCE REPORT

How we share our risk management responsibilities:

Who is responsible for what	
The Board	• Approves strategic objectives and validates our risk appetite • Reviews the Company's risks and mitigating measures • Reviews the Company's risk management and internal control systems • Assesses these systems effectiveness through its Audit and Risk Committee
Senior Management	• Is responsible for the "tone at the top" • Oversees design and implementation of Risk Management and Internal Control Systems • Defines and allocates risk appetite • Makes decisions when substantial risk is at stake • Evaluates the adequacy of risk mitigation plans • Ensures regular reporting to the Board and the Audit and Risk Committee

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS AND BOARD COMMITTEES

AUDIT AND RISK COMMITTEE

Business Management	Risk Management and Compliance	Internal Audit
1st line	2nd line	3rd line

Business Management – 1st line

Business management is responsible for the processes, systems, products and people of the company and the management of the risks arising from them.

- Business management is responsible to take risks (e.g., developing a product, underwriting an account or settling a claim).
- Business management is also responsible to manage the risks its business activities create (e.g., procedures and controls to contain the probability or severity of an undesirable outcome within the company's risk tolerance).
- The CEO of the entity is the ultimate risk owner that is responsible for the taking and managing of risk within the legal entity – even if certain services to the entity are outsourced or provided through a shared service. The entity's board provides oversight of entity management

Risk Management and Compliance – 2nd line

Risk Management provides:

- A framework and tools to help the first line identify, evaluate, control and report on risks
- Specialised advice to help the first line understand risks and develop controls
- Independent challenge, observation and analysis of first line risk decisions and controls
- Advice and challenge through the Enterprise Risk Management framework
- Conducts independent analysis of certain risks
- Highlights and escalates risks potentially exceeding the agreed risk tolerance
- Control design and operation monitoring
- Assurance to key stakeholders (e.g., Board Risk committees, regulators, and rating agencies)

Compliance provides assistance to risk owners with regard to specific regulatory risks through:

- Policies and risk evaluations
- Process and control analysis and advice
- Training and awareness

Internal Audit – 3rd line

Internal audit provides an independent evaluation of the effectiveness of the design and operation of:

- The risk management framework
- The controls in place to manage risk within the company's risk tolerance

CORPORATE GOVERNANCE REPORT

Risk Management Process

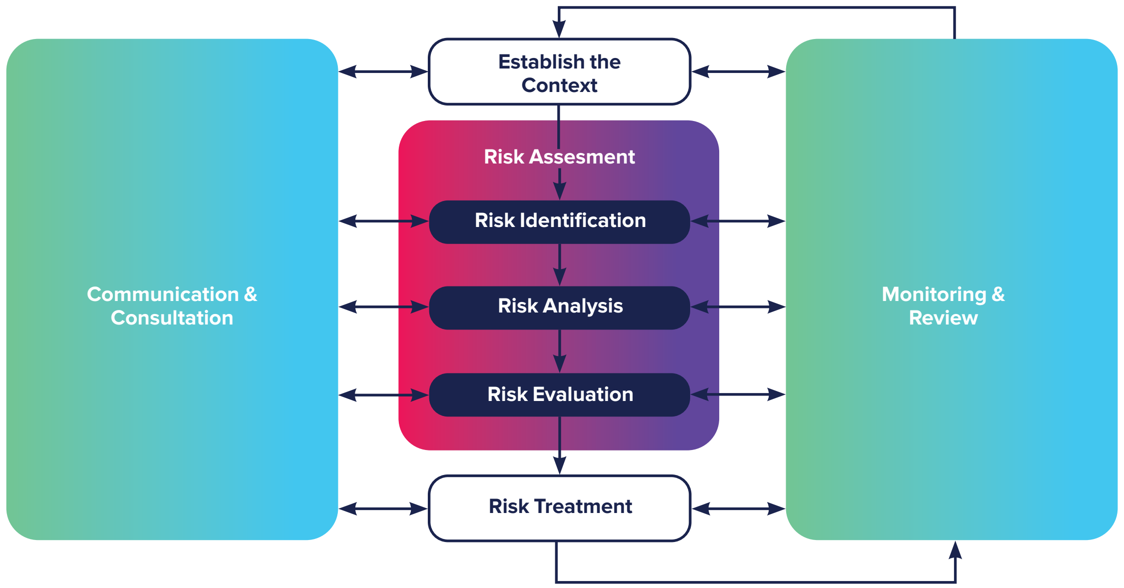
EIL aims to conduct its business in compliance with all relevant laws, rules, regulations, industry standards and codes, internal policies and procedures, and having regard to accepted community and ethical standards. It also acts promptly to correct incidents of non-compliance no matter how identified, including determining whether a compliance failure is a breach that is reportable to a regulator.

As part of the Risk Management Framework, internal controls have been implemented across EIL to ensure appropriate risk identification, assessment, control, management, monitoring and reporting. These controls support the proactive management of risk, including the regular maintenance of risk profiles which provide the Board and management with clear oversight of risk.

In accordance with the Financial Services Commission's ("FSC") Prudential Standards, regulated entities must submit a risk management declaration to the FSC, signed by the Board annually, confirming the adequacy of the regulated entity's risk management systems. The risk management declarations are based on reports considered and reviews conducted by the Audit and Risk Committee during the year and on the representations, management provides to the Board and Chief Executive Officer in regard to the adequacy of EIL's risk management systems.

Policies and procedures have been developed to ensure open communication with regulators occur in a timely manner including the referral of any material correspondence between EIL and the Regulators to the Board or relevant Board committee.

The diagram below summarises the Risk Management Process.



CORPORATE GOVERNANCE REPORT

The main elements of the Risk Management Process diagram, are as follows:

(a) Communicate and consult

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process.

(b) Establish the context

Establish the external, internal and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis defined.

(c) Identify risks

Identify where, when, why and how events could prevent, degrade, delay or enhance the achievement of the objectives.

(d) Analyse risks

Identify and evaluate existing controls. Determine consequences and likelihood and hence the level of risk. This analysis considers the range of potential consequences and how these could occur.

(e) Evaluate risks

Compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes. This enables decisions to be made about the extent and nature of treatments required and about priorities.

(f) Treat risks

Develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs.

(g) Monitor and review

Monitor the effectiveness of all steps of the risk management process. This is important for continuous improvement.

Risks and the effectiveness of treatment measures need to be monitored to ensure changing circumstances do not alter priorities.

Objectives for Risk Management

The Risk Management Framework (RMF) and Risk Management Strategy (RMS) aim to document the:

- actual risks that have been identified by Management and the Board as material;
- methods adopted to minimise/mitigate these risks; and
- way these risks are monitored on an ongoing basis.

The RMF and RMS do not:

- address every possible risk to EIL; or
- necessarily set out the full detail of the procedures and processes adopted to manage the risk.

CORPORATE GOVERNANCE REPORT

How we provide independent assurance

Audit and Risk Committee

The Audit and Risk Committee met five times during the year under review. The Committee confirmed that it has discharged its responsibilities to the best of its capabilities for the year under review.

In principal, the function of this committee is to oversee the financial reporting process and IT governance. The activities of the Audit and Risk Committee include regular reviews and monitoring of the effectiveness of EIL's financial reporting and internal control policies and risk management systems, the effectiveness of the internal audit function, the independence of the internal and external audit process and assessment of the external auditors' performance, the remuneration of external auditors, and to ensure compliance with laws and regulations relevant to financial reporting and with the internal code of business conduct. The Committee meets as frequently as it deems necessary prior to the Board's review of the quarterly results and annual financial statements.

Internal Audit

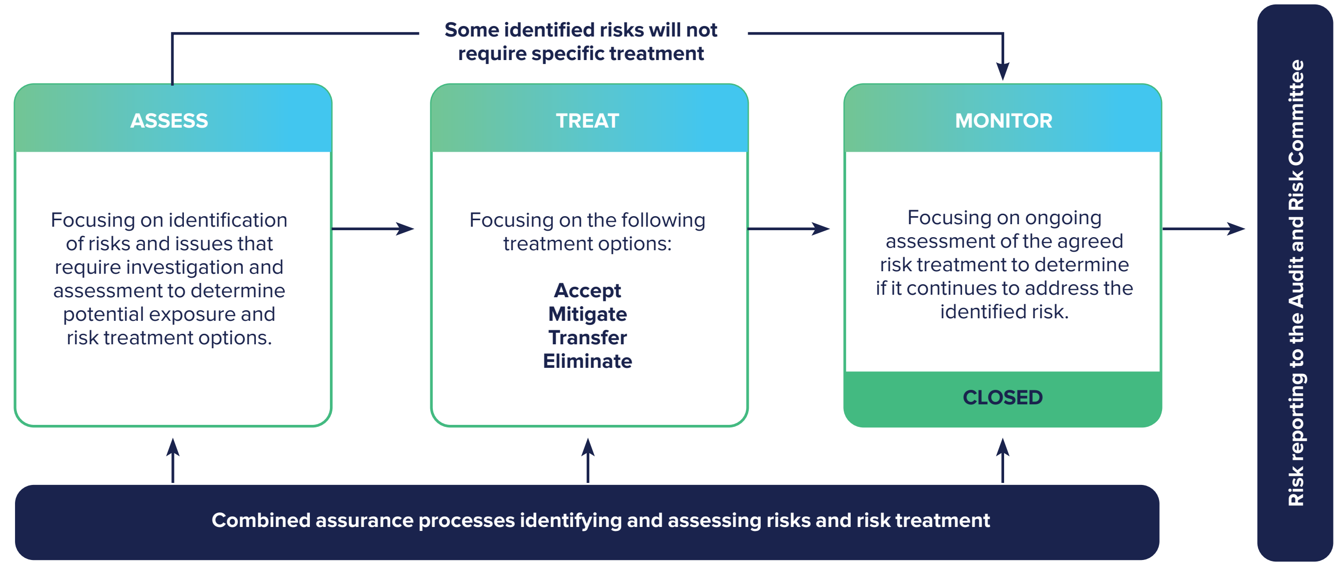
The Internal Audit function is outsourced to KPMG who have unrestricted access to the records, management, and employees of the Company. They have an independent line of communication with the Audit and Risk Committee. The Board confirms that there have been no significant issues that have affected the proper functioning of the internal control systems during the year under review which could have impacted the financial statements.

External Audit

RSM (Mauritius) LLP was appointed as the External Auditors on 22 December 2021, and was subsequently reappointed on 28 December 2022. They have unrestricted access to the records, management, and employees of the Company. The independent external auditor provides an independent opinion on the financial results of the Company. The Auditor communicates regularly with the Audit and Risk Committee.

CORPORATE GOVERNANCE REPORT

Risk Management Framework ("RMF")



Key Framework Components

CORPORATE GOVERNANCE REPORT

EIL is engaged in the short-term insurance business comprising Accident, Health, Engineering, Motor, Property and Transportation insurance. This diversity of activity creates an equally diverse and complex range of risks as well as a wealth of opportunities for EIL. Understanding and managing the risks associated with these activities and environments, and making the most of new opportunities, is challenging and critical to preserving EIL's reputation, resources and standing in the personal and commercial markets.

EIL recognises that risk management is an integral part of good governance and best management practice for an organisation in the insurance industry.

The RMF affirms EIL's strategic commitment to building a risk management culture in which risks and opportunities are identified and managed effectively.

Environment

The Board and management recognise that an effective system of risk management plays a critical role in the setting and achievement of EIL strategic objectives, where risk is defined as any threat or opportunity to achieve these objectives.

EIL's approach to operational risk management is governed by prudence, the nature of the regulatory environment, best practices, and the competitive situation within which it operates.

The RMF is guided by EIL's Board.

The recognition that an effective system of risk management plays a critical role in the setting and achievement of EIL strategic objectives has led to the development of:

- a risk management framework where the business owns risk decisions;
- an independent risk management function that advises and challenges the business in its risk taking; and
- a robust risk appetite that clearly sets out the nature and degree of risk the Board is willing to accept in pursuit of EIL's business objectives.

Scope

EIL places particular emphasis on the effective monitoring and management of its undertaken risks with a view of maintaining stability, financial soundness and continuity of operations, as well as achieving its strategic goals as these are set out in its business and restructuring plans, fully aligned with the budget, capital and liquidity planning and policy.

The Risk Management Framework aims to foster sound corporate governance principles and risk culture, clear strategy and adequate policies, procedures and methodologies. This framework is supported by infrastructure and resources, in compliance with the regulatory framework and supervisory requirements.

EIL and its Board of Directors consider that if a full and consistent application of the risk management arrangements is in place, this would adequately address the risks in the risk profile and strategy of EIL and acknowledge that a robust risk culture should remain a key focus area for continuous improvement.

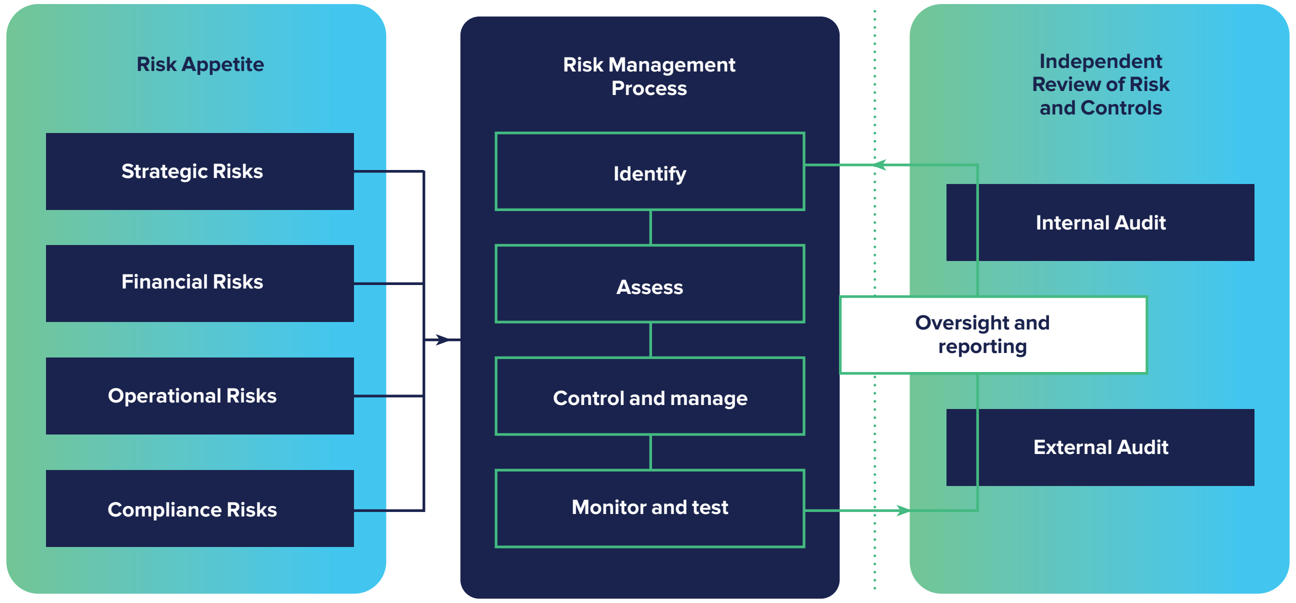
CORPORATE GOVERNANCE REPORT

The framework:

- links risk appetite to strategic business and capital plans;
- supports a risk-aware culture;
- sets out accountabilities and governance arrangements for the management of risk within the 'three lines of defence' model; and
- enhances business risk-based decision-making.

The RMF is regularly reviewed by the external and internal audit teams to provide assurance to the Board that it continues to be adequate and relevant. Internal Audit independently tests and verifies the efficacy of risk standards and compliance, validates the overall risk framework, and provides assurance that it is functioning as designed. Internal Audit provides written reports to the Audit and Risk Committee. The Committee conducts an annual review and endorses the framework for Board approval.

The RMF is summarised in the following diagram:



CORPORATE GOVERNANCE REPORT

EIL's organisational structure shapes how risk is managed, and is based on three principles:

- Individuals are responsible for their actions and decisions;
- Structures and processes are simplified, to make it easier to manage risks; and
- Each line of business has 'end-to-end' accountability for all aspects of the business, including those risks managed by service providers.

Risk categorisation and policy-setting

The risks EIL manages include strategic, counterparty, market, asset and liability, liquidity, insurance, operational, and compliance risks.

Board and management-approved policies, delegations, authorities and limits are influenced by EIL's risk appetite. Policies, procedures, limits and other controls are in place for EIL's legal entity or business unit level to manage these risks and align to the Board's risk appetite.

Risk Strategy

EIL has undertaken extensive research into the market and our business model is based on understanding customer needs, remaining disciplined and creating a sustainable business.

Our goal is to differentiate ourselves by focusing mainly on groups (corporates) developing customised solutions for our partner brokers and their respective clients. A key part of this strategy is developing our ability to integrate our processes with those of our partners to create an effective and efficient value chain for each program.

Risk identification

The range and materiality of risks for EIL can be split into Core Risks and Ancillary Risks.

Core Risks are those risks that are intrinsic to EIL's business- There is a favourable risk/return trade off, thus EIL actively pursues core risks, seeking due reward for assuming these and the attendant ancillary risks.

Core Risks

- **Insurance Risk**

  It consists of:

  - Underwriting Risk - Non-Catastrophe: the possibility that future insurance exposures (both from business in force and future business) will be loss making.
  - Underwriting Risk - Catastrophe Risk: natural or man-made events that produce insurance losses from many insureds at the same time.
  - Reserving Risk: the possibility that the provisions for outstanding claims will be inadequate to meet the ultimate costs as the business runs off.

- **Market and Investment Risk**

  - Includes movements in the market value of assets, duration and/or currency mismatch risk and typically includes credit risk on investment assets.
  - Risks relating to inflation will typically be picked up within Insurance Risk to the extent that they impact insurance liabilities and Market Risk to the extent that they impact assets.

- **Credit Risk**

  - Default of counterparties to settle their contractual obligation (premiums).
  - Materiality of this risk will depend strongly on the terms of credit afforded by the Company as well as the creditworthiness of customers.

CORPORATE GOVERNANCE REPORT

- **Liquidity Risk**

  - Generally not material for general insurers.
  - Liquidity concerns could arise, if not managed, from the difference between paying claims and recovery under reinsurance contracts.
  - The main cashflow stress for an insurer would relate to catastrophe risk and corporate actions initiatives (share buybacks, dividend payments and acquisitions).

- **Strategic Risk**

  - All financial institutions by definition are subject to strategic risk

- **Reinsurance Risk**

  - Consists primarily of risk related to non-receipt of reinsurance recoveries (for example as a result of reinsurer's impairment).
  - Materiality depends strongly on the reinsurance arrangements (both past and current) and the creditworthiness and spread of reinsurance counterparties.

Ancillary Risks

Ancillary risks, generally do not have favourable standalone risk-return trade-offs, arise incidentally to EIL's core business.

- **Operational Risk**

  - All financial institutions by definition are subject to operational risk.
  - Many operational risks in insurers are to an extent boundary risks, i.e. they could also be classified as other risk types. External claims fraud and claims handling errors, for example, may be considered insurance risk and captured there rather than operational risk.
  - Loss of Skilled Labour.

- **Regulatory Risk**

  - The risk that the company might be exposed to, should it not comply with applicable regulatory requirements or excludes provisions of relevant regulatory requirements from its operational procedures.

- **Reputational Risk**

  - The threat to the profitability or sustainability of a business or other entity that is caused by unfavourable public perception of the Company or its products or services, as a result of any internal or external factors including the contravention of applicable regulatory requirements by the Company itself or by its staff members during the conduct of business.

Top and Emerging Risks

EIL undertakes a review of top and emerging risks annually. The review is an important part of the risk identification aspect of the RMF and includes horizon scanning of the internal and external risk environment to identify potential new or developing risks to EIL. These risks can then be included in the risk register and managed appropriately as required.

Artificial Intelligence (AI)

Potential risks and challenges identified for the insurance industry include:

- systemic malfunction of any AI that controls critical infrastructure and that could generate large claims
- widespread use of AI increasing cyber-criminality
- increasing complexity of the chain of responsibility with significant liability, legal and regulatory implications
- generation of new types of accumulations arising from potential exposure to risks beyond a company's risk appetite.

CORPORATE GOVERNANCE REPORT

Autonomous vehicles

A dysfunction, such as a programming mistake or an inadequate software update could cause simultaneous traffic accidents. The development of autonomous cars using the 5G network will create some opportunities but will also probably result in a reduction of traditional motor premium volumes.

Extreme social unrest

An extreme social unrest event taking place across the country could have a significant impact on P&C business lines, depending on the coverage triggered (terrorism/ orchestrated uprising or riot/ civil commotion).

Geopolitical Impact

Concern over state conflicts remains high with trade impacts, physical losses, and cyber risk following sanctions looming large; the Russian invasion of Ukraine has brought into sharp focus the wide ranging and fast-moving impact of these events.

Inflation

Higher than expected inflation means higher claim costs than what was priced into the policies. That's because policies are priced today but claims against those policies can emerge well into the future when costs are higher than what was anticipated at the time of policy writing.

Large Cyber Attack

The development of cyber risk has mainly arisen from the spread of information technologies, the rapid growth in the number of connected entities, the multiplication and interdependence of access means, and the increased use of the cloud for data storage. The risk is evolving rapidly given the "commercialisation" of cyber-crime, which is driving a greater frequency and severity of cyber incidents, including encryption and data breaches. For the insurance industry, Cyber risks present both strategic business opportunities and pose a critical operational risk.

Skills shortages

The insurance industry is reliant on highly skilled workers in all industries to safeguard people and premises and contain claim costs. As workers retire and technology advances, skills shortages could increase, and Covid-19 impacts are also evident. Inflated or more frequent claims may only be noticed with some latency and limit the possibility to directly attribute costs to a particular skills gap

CORPORATE GOVERNANCE REPORT

Principal Risks facing EIL

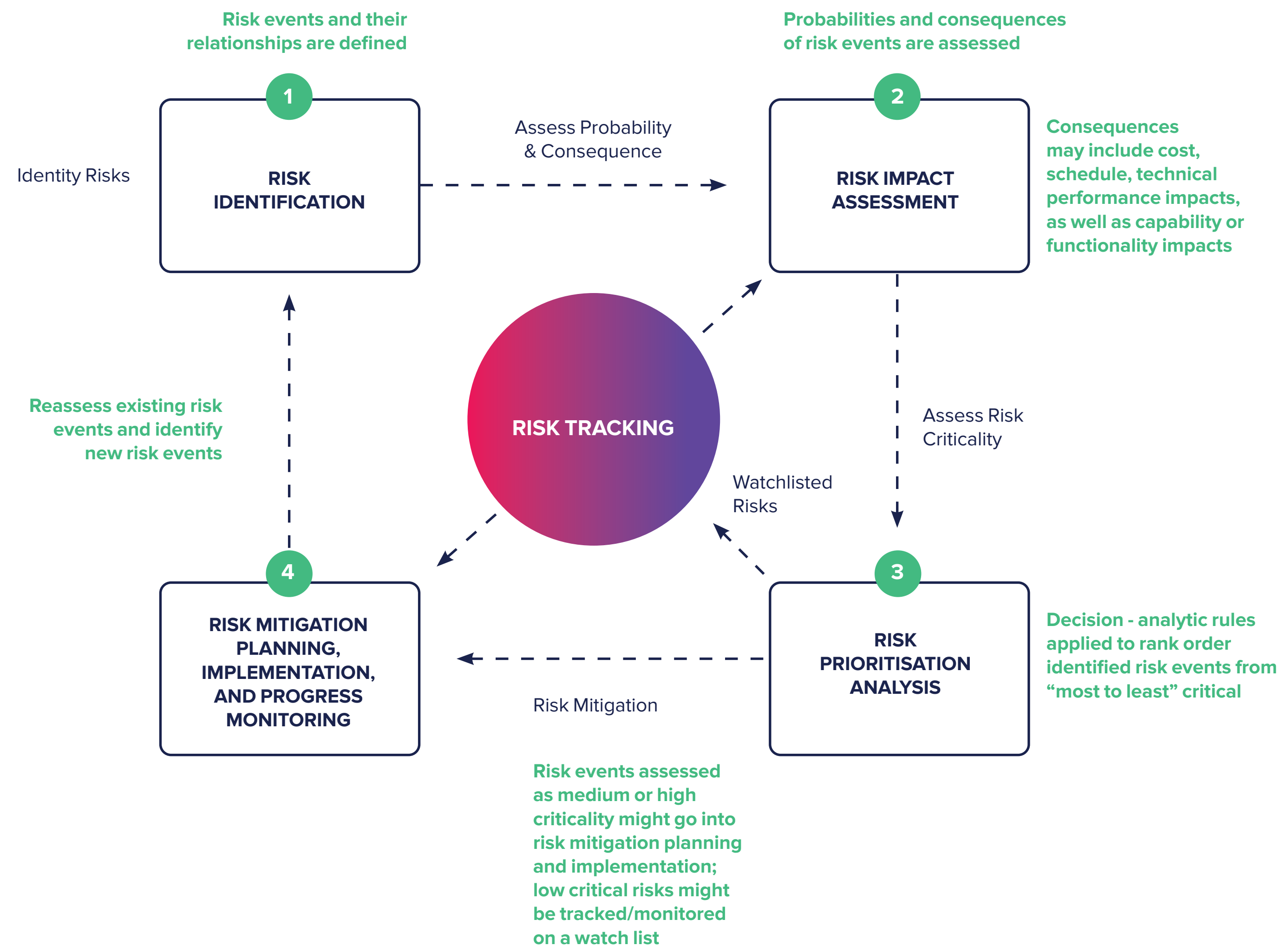
Principal Risks	Description	Mitigation Tools
Underwriting Pricing	Inadequate pricing could have a material adverse effect on our results for underwriting operations and financial condition. Accepting risks below their technical price is detrimental to the industry. It can drive market rates down to a point where underwriting losses increase, insurers' capital is reduced, and some businesses fail. Customers may receive poor service and the industry could suffer negative publicity.	Strategic focus on underwriting performance rather than on top line growth. Pricing discipline is maintained through strict underwriting guidelines, monitoring of the delegated authorities and enforcement of the technical pricing framework. Efficient use of the outwards reinsurance programme. We adapt our desire to write certain lines of business according to market conditions and the Company's overall risk appetite. We reject business unlikely to generate underwriting profits, or accept it on certain terms, and regularly monitor how pricing and exposures are developing, so we quickly identify and control any problems created by deteriorating market conditions.
Underwriting - natural catastrophe	We insure corporate and individual clients for damage caused by a range of catastrophes, both natural (e.g Cyclone and Flood) and man-made (i.e Fire, Riots), which can cause heavy underwriting losses with material impacts on the Company's earnings and financial condition	With the support of our Reinsurers, we underwrite catastrophe risk in a carefully managed controlled manner. EIL's strategy of creating and maintaining a well-diversified portfolio, helps limit its catastrophe exposure. We have a clearly defined appetite for underwriting risk, which dictates the Company's business plan, and we closely monitor the Company's risk exposure to maximise the expected risk return profile of our whole portfolio. An aggregate catastrophe excess of loss cover is in place to protect the Company against combined property claims from multiple policies resulting from catastrophe events.
Reserving	We make financial provisions for unpaid claims, defence costs and related expenses to cover our ultimate liability both from reported claims and from incurred but not reported (IBNR) claims. There is the possibility that we do not put enough money aside for our exposures, which could affect the Company's earnings, capital and future.	Actuarial team recommend reserves independently from underwriting division using established actuarial techniques. Reserves are held at a conservative best estimate, and we also carry an explicit margin.

CORPORATE GOVERNANCE REPORT

Principal Risks facing EIL		
Principal Risks	**Description**	**Mitigation Tools**
Investment Risk	The investment of EIL's assets generates an investment return. Our investment portfolio is exposed to a number of risks related to changes in interest rates and equity prices among others.	Regular monitoring against investment risk appetite which includes defined limits for solvency, earnings risk and liquidity risk. To reduce foreign exchange risk, these are usually maintained in the currency of the original premium for which they were set aside. The Company has outsourced its investment to fund managers who operate within clear guidelines as to the type and nature of shares in which they can invest. The investment committee advises and assists the Board of Directors on matters relating to the investment activities of the Company. The main duties of the Committee are to define, review and evaluate the investment strategy (including M&As) for recommendation to the Board.
Credit Risk	We face credit risk from all our sources of business, customers, agents and brokers, reinsurers where we transfer money to and receive money from these counterparties.	The Company deals with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. We buy reinsurance only from companies that we believe to be strong. The Company has adopted a policy on credit risk management to control level of exposure and mitigate the risk.
Information Security	We operate in a world where the volume of sensitive data and the number of connected devices and applications have increased exponentially. Also, cyber-attacks are increasingly frequent and sophisticated. Our business depends on the integrity and timeliness of the information and data we maintain, own and use.	We have an information security policy and cyber security risk strategy. We have dedicated IT security resources which provide advice on information security design and standards.

CORPORATE GOVERNANCE REPORT

Risk Appetite Framework (RAF)



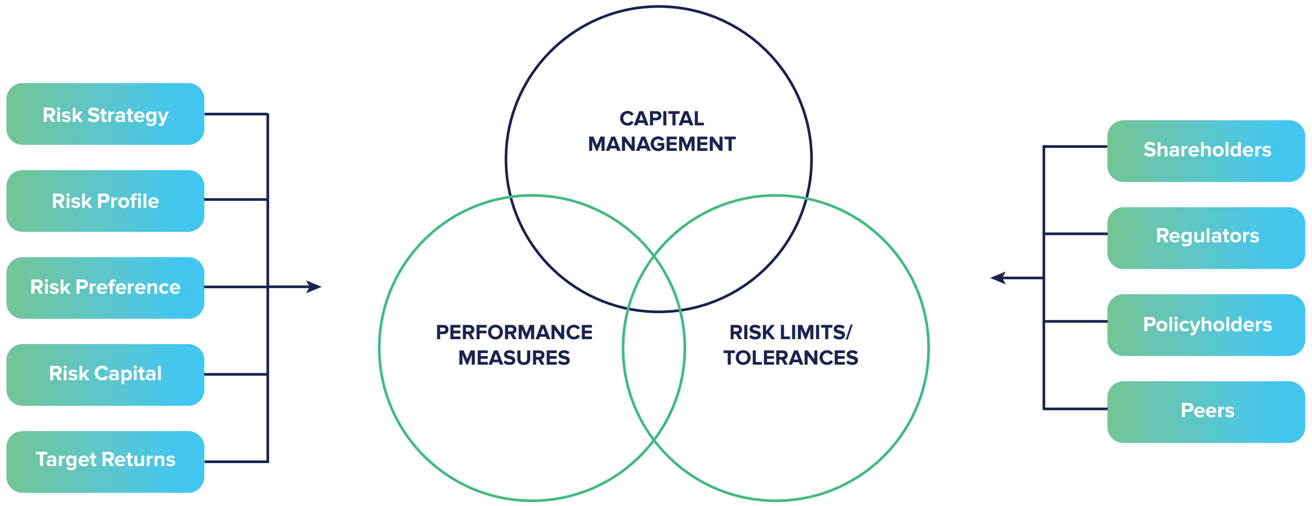
CORPORATE GOVERNANCE REPORT

The guiding principles on which basis the framework was developed so that it is appropriate and effective are:

- Risk appetite was built on an understanding of EIL's risk capacity and strategic direction.
- Risk appetite is integrated with the development of EIL's strategy and business plans.
- Risk appetite must be able to be communicated easily and effectively to all layers of EIL and externally.
- Risk appetite is integrated with the risk culture of EIL.
- Risk appetite explicitly defines the boundaries for risk taking in pursuit of strategy at institutional, individual business and risk type levels.
- The RAF is an integral part of the Risk Management Framework.
- Risk appetite considers all material risks both in normal and stressed conditions.

Risk Appetite Framework Overview

Risk Appetite Framework includes both capital management and appropriate performance measures to ensure risk limits set as part of the risk strategy can be monitored, reviewed and reported for continual improvements.



CORPORATE GOVERNANCE REPORT

The RAF describes the overall approach, including policies, processes, controls and systems through which risk appetite is established, communicated, and monitored.

The RAF incorporates the following elements:

- A Risk Appetite Statement;
- Tolerances and/or limits on the activities of EIL designed to ensure that it operates within the Risk Appetite approved by the Board;
- A process for ensuring that the tolerances and limits are set at an appropriate level given the appetite for risk set out in the Risk Appetite Statement;
- A reporting structure against the limits and tolerances;
- An outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF;
- A method of cascading the limits and tolerances, where appropriate, down to business units while ensuring that they remain appropriate in aggregate; and
- A governance framework to ensure the ongoing integrity of the framework.

Risk Appetite Statement

The Risk Appetite Statement (RAS) is the key document that articulates the Board's appetite for risk and which influences EIL's approach to taking on and managing risk.

Risk Appetite Statement Definition

"The articulation in written form of the aggregate level and types of risk that an institution is willing to accept, or to avoid, in order to achieve its business objectives. It includes qualitative statements as well as quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. It should also address more difficult to quantify risks such as reputation and money laundering as well as business ethics and conduct."

The Risk Appetite Statement articulates in writing the Board's willingness to accept risk in the pursuit of its strategic objectives.

EIL's risk strategy cannot sit in isolation separate from operations. Effective risk strategy implementation requires us to consider how our strategy can be translated to a target risk profile and how it can be measured. Implementation of the risk strategy is an iterative process and has required asking some tough questions such as: What do we actually do and is that the right business for us and why?

The Board's strategic and business decisions need to be consistent with the approved Risk Appetite. Therefore the Risk Appetite Statement is directly linked to EIL's strategy.

Regulatory Developments

The Insurance (Risk Management) Rules 2016 were published by the FSC and became effective on 1 July 2017.

The Rules were amended in October 2020 and require the Insurer to submit all documentation relating to its Risk Management Framework not later than 6 months after the company's financial year end.

As per the above Rules, the RMF needs to be approved by the Board and includes:

- A Risk Appetite Statement
- A Risk Management Strategy
- A 3-year Business Plan
- Own Risk Solvency Assessment (ORSA)
- Liquidity Policy
- A Designated Risk Management Function
- Description of the Responsibilities, roles and reporting lines within the Insurer for the management of material risks.

At EIL, we have put all resources and procedures in place to ensure we abide by the Rules.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 6: REPORTING WITH INTEGRITY

Scope Of Reporting, Governance Framework And Statement Of Compliance

The present Annual Report for EIL covers the period 1 July 2022 to 30 June 2023. Any material events after the above-mentioned date and up to the Board approval of this report have also been included. The Company is qualified as a Public Interest Entity ('PIE') as defined by the Financial Reporting Act 2004 and has endeavoured to apply all the essence and spirit of the principles of the Code of Corporate Governance.

PRINCIPLE 7: AUDIT

Internal Audit

The Company does not have an in-house internal audit function. It outsources this function to KPMG who is not the External Auditor of the Company. Internal Audit reports are made available to the Audit and Risk Committee. Members of the Audit and Risk Committee are of appropriate qualifications and calibre to analyse and process the reports made available to them. The Audit and Risk Committee has the delegated responsibility from the Board to review, follow up and take actions when applicable on all reports. The Audit and Risk Committee also reports to the Board all important issues arising from the reports and may, if necessary, send to Board members the internal audit reports. The full reports or part of the reports can be made available to Management where it is justified that it may help Management to improve or take necessary actions on issues raised in the Internal Auditors report. However, the Chairperson of the Audit and Risk Committee may also request that the reports are not made available to the Management.

External Audit

The external audit function is performed by RSM (Mauritius) LLP. The auditors are present at the Audit and Risk Committee when the final audited financial statements are presented to ensure that appropriate discussions are carried out on the financial statements' audit and key findings of the auditors. The Audit and Risk Committee has the authority to meet with the external auditors without Management being present. The external auditors of the Company do not carry out non-audit services to ensure that they keep their independence while carrying out their main task of external auditors.

PRINCIPLE 8: RELATIONS WITH SHAREHOLERS AND OTHER KEY STAKEHOLDERS

Shareholding Profile

The stated capital of the Company is made up of 7,999,998 ordinary shares of Rs 10 each.

Below is the list of major shareholders (holding more than 5% of the shares) of the Company as at 30 June 2023:

IBL Ltd	60.00%
HWIC Asia Fund	39.12%
Others	0.88%

CORPORATE GOVERNANCE REPORT

Breakdown of share ownership as at 30 June 2023

	Number of Shareholders	Number of Shares held	Holding
1 - 500 shares	141	12,248	0.1531%
501 - 1,000 shares	30	21,016	0.2627%
1,001 - 5000 shares	16	31,490	0.3936%
5,001 - 10,000 shares	1	6,000	0.0750%
10,001 - 500,000 shares	-	-	0.0000%
>= 500,001 shares	2	7,929,244	99.1156%
Total	**190**	**7,999,998**	**100.0000%**

Note: The above number of shareholders is indicative, due to the consolidation of multi-portfolios for reporting purposes. The total number of active ordinary shareholders as at 30 June 2023 was 190.

Share dealings

The Constitution of EIL does not provide any ownership restriction or pre-emption rights. It is in conformity with the Companies Act 2001.

Members of the Board have been informed that they should not deal in the shares of the Company during the 30 calendar days preceding the publication of results, and prior to the dividend declaration, or any major event affecting the Company that might influence its share price. Members have also been advised to declare to the Company all transactions conducted by them outside the mentioned period.

Share dealings

The Company not being listed, no share price is published.

Dividend Policy

The payment of dividends is subject to the profitability of the Company, to its cash flow and to its capital expenditure requirements.

The dividend declared over the past two years is shown in the table below:

	2023	2022
Dividend per share (Rs)	**15**	2

CORPORATE GOVERNANCE REPORT

Relationship with shareholders

The Board is committed to properly understand the information needs of all shareholders and other stakeholders of EIL. It ensures that lines of communication are kept open to communicate all matters affecting EIL to its shareholders.

The Board of Directors of EIL acknowledges that clear and transparent communication with all its Shareholders is of utmost importance. The Board reports as and when needed through announcements as well as disclosures in the Annual Report and enhanced at the Annual Meeting of its Shareholders, which all Directors and Shareholders, are encouraged to attend.

In its quest for a greener world, following a recent amendment to the Companies Act 2001, the Board has determined to send EIL's annual report to its shareholders by electronic means, while providing the shareholders the option to request for a hard copy thereof.

Meeting of shareholders

The Annual Meeting of the Company is a focal opportunity to discuss matters with the Board of Directors related to the Company's performance. The CEO, who also serves as Director to the Board shall be present at the Annual Meeting to answer any questions. The Auditors of the Company shall also be present.

In conformity with Section 115 of the Companies Act 2001, an Annual Meeting of the Shareholders was held on 28 December 2022 for the approval of the financial statements for the year ended 30 June 2022.

The attendance of the directors at the last Annual Meeting of the Company can be found on page 49.

Timetable of important upcoming events

September 2023	Publication of last quarter financial statements
November 2023	Publication of first quarter financial statements
December 2023	Annual Meeting of Shareholders
February 2024	Publication of second quarter abridged financial statements
May 2024	Publication of third quarter abridged financial statements

CORPORATE GOVERNANCE REPORT

Certificate from the Company Secretary

We, as Company Secretary, in accordance with Section 166(d) of the Companies Act 2001, certify that, to the best of our knowledge, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001.

Sandra POMPUSA

Per IBL Management Ltd
Company Secretary

26 September 2023

CORPORATE GOVERNANCE REPORT

OTHER STATUTORY DISCLOSURES (Pursuant to Section 221 of the Companies Act 2001) to 30 June 2023

Directors

The names of the Directors of EIL and its subsidiaries holding office as at 30 June 2023, were as follows:

Directors	Eagle Insurance Limited	Eagle Investment Property Limited	Specialty Risk Solutions Ltd
Laurent DE LA HOGUE	✓		
Shahannah ABDOOLAKHAN	✓		
JP BLIGNAUT	✓		
Winson CHAN CHIN WAH	✓	✓	✓
Jean Paul CHASTEAU DE BALYON	✓		
Olivier CHELLEN		✓	✓
Dipak CHUMMUN	✓		
Arvind Lall DOOKUN			✓
Alain MALLIATÉ		✓	
John Edward O'NEILL	✓		
Cynthia PARRISH	✓		
Yannick ULCOQ	✓		

CORPORATE GOVERNANCE REPORT

During the year under review the following changes occurred:

- Mr Yannick ULCOQ was appointed as Director of EIL on 24 August 2022;
- Mr Derek WONG WAN PO resigned as Director of EIL, Eagle Investment Property Limited and Specialty Risk Solutions Ltd on 14 February 2023;
- Mr Winson CHAN CHIN WAH was appointed as Director of Eagle Investment Property Limited on 14 February 2023;
- Mr Olivier CHELLEN was appointed as Director of Eagle Investment Property Limited and Specialty Risk Solutions Ltd on 14 February 2023;
- Mr Sattar JACKARIA was appointed as Director of EIL on 7 April 2023;
- Mr Alain MALLIATÉ resigned as Director of Eagle Investment Property Limited by close of business on 30 June 2023.

Profile of Directors

The profiles of the Directors of EIL, including their external directorships in other listed entities are disclosed on pages 30 to 33.

Common Directorships

The Directors of the Company do not sit on the board of IBL Ltd, its holding company.

Directors' Service Contracts

There are no service contracts between EIL and its Directors.

Contracts of significance

There was no contract of significance subsisting during the year to which the Company, was a party and in which a Director was materially interested, either directly or indirectly.

Related party transactions and conflict of interests

Related party transactions are disclosed in Note 29 of the Accounts.

Directors' Insurance

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

CORPORATE GOVERNANCE REPORT

Interests in shares

The direct and indirect interests of the Directors and Senior Officers of the Company and its subsidiaries in the securities of EIL and its subsidiaries as at 30 June 2023, were:

Directors	Eagle Insurance Limited			Eagle Investment Property Limited			Specialty Risk Solutions Ltd		
	Direct Interest		Indirect Interest	Direct Interest		Indirect Interest	Direct Interest		Indirect Interest
	No. of shares	%	%	No. of shares	%	%	No. of shares	%	%
Laurent DE LA HOGUE	-	-	-	-	-	-	-	-	-
Shahannah ABDOOLAKHAN	-	-	-	-	-	-	-	-	-
JP BLIGNAUT	-	-	-	-	-	-	-	-	-
Winson CHAN CHIN WAH	-	-	-	-	-	-	-	-	-
Jean Paul CHASTEAU DE BALYON	-	-	-	-	-	-	-	-	-
Olivier CHELLEN	-	-	-	-	-	-	-	-	-
Dipak CHUMMUN	-	-	-	-	-	-	-	-	-
Arvind Lall DOOKUN	-	-	-	-	-	-	30	30	-
Alain MALLIATÉ	-	-	-	-	-	-	-	-	-
John Edward O'NEILL	-	-	-	-	-	-	-	-	-
Cynthia PARRISH	-	-	-	-	-	-	-	-	-
Yannick ULCOQ	-	-	-	-	-	-	-	-	-
IBL Management Ltd	-	-	-	-	-	-	-	-	-

CORPORATE GOVERNANCE REPORT

Non-Executive Directors' Fees:

Name of Directors	Category	2023	2022
		Rs	Rs
Laurent DE LA HOGUE*	Chairman and Non-Executive Director	**361,126**	153,959
Shahannah ABDOOLAKHAN	Independent Non-Executive Director	**300,000**	121,371
Jean-Claude BÉGA	Chairman and Non-Executive Director (Resigned on 6 May 2022)	**-**	155,856
JP BLIGNAUT**	Non-Executive Director	**150,000**	100,000
Jean Paul CHASTEAU DE BALYON	Independent Non-Executive Director (Appointed on 22 October 2021)	**325,000**	141,827
Dipak CHUMMUN*	Non-Executive Director	**150,000**	100,000
Natacha EMILIEN	Independent Non-Executive Director from date of appointment on 22 October 2021 until her change in status to Executive Director on 9 February 2022, before resigning on 31 March 2023	**-**	37,965
Robert IP MIN WAN	Non-Executive Director (Resigned on 11th November 2021)	**-**	76,416
Gilbert ITHIER	Non-Executive Director (Resigned on 11 November 2021)	**-**	67,320
John Edward O'NEILL**	Non-Executive Director	**200,000**	135,000
Cynthia PARRISH	Independent Non-Executive Director	**300,000**	200,000
Yannick ULCOQ*	Non-Executive Director (Appointed on 24 October 2022)	**191,579**	-
		1,977,705	1,289,714

* Fees paid directly to IBL Ltd
** Fees paid directly to Bryte Insurance Company Limited

CORPORATE GOVERNANCE REPORT

Executive Directors' Remuneration

During the year, remuneration and benefits were paid to the executive directors – namely Mr Derek WONG WAN PO, Former Chief Executive Officer, who resigned on 14 February 2023, Mr Winson CHAN CHIN WAH, Chief Underwriting Officer, Mrs Natacha EMILIEN, Former Chief Transformation and Support Services Officer, who also resigned on 31 March 2023 and Mr Sattar JACKARIA, Chief Executive Officer since 7 April 2023. The total remuneration paid was Rs 18,268,425 (2022: Rs 14,770,654), comprising of basic salary, performance bonus, pension contributions and other benefits and representing a split of 45%, 20%, 14% and 21% respectively between the executive directors.

The directors' fees and remuneration have been disclosed individually, in compliance with Section 221 of the Companies Act 2001. The directors' remuneration has also been disclosed under note 29 for related party transactions.

Directors' remuneration and benefits

The Total Remuneration and benefits received, or due and receivable, by the directors from the Company and its subsidiaries are disclosed below:

	2023		2022	
	Executive Directors	Non-Executive Directors	Executive Directors	Non-Executive Directors
	Rs '000	Rs '000	Rs '000	Rs '000
The Company				
Eagle Insurance Limited	18,268	1,978	14,770	1,290
The Subsidiaries				
Eagle Investment Property Limited	-	-	-	-
Specialty Risk Solutions Ltd	-	-	-	-

CORPORATE GOVERNANCE REPORT

Auditor's remuneration

	The Company		The Subsidiaries	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Audit fees for the year				
RSM (Mauritius) LLP	**1,115**	1,063	**605**	440
Fees for other services provided by:				
KPMG	**2,722**	1,663	**-**	-
	3,837	2,726	**605**	404

Donations

	The Company		The Subsidiaries	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Charitable Donations	**55**	-	**-**	-
Political Donations	**-**	-	**-**	-
Corporate Social Responsibility Contribution	**971**	15	**-**	10
	1,026	15	**-**	10

Related party transactions

Related party transactions are disclosed under note 29 of the financial statements.

Anti-Money Laundering

In line with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and the Regulations 2003, control procedures and internal policies are regularly reviewed, and staff training is done at least twice a year.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

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

Opinion

We have audited the financial statements Eagle Insurance Limited (the "Company") and its subsidiaries (together referred to as the "Group") as set out on pages 6 to 74 under Section B, which comprise of the consolidated and separate statement of financial position as at 30 June 2023, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, the consolidated separate statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 30 June 2023, and of their consolidated and separate financial performances and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005.

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 Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

Key Audit Matters	How the matter was addressed in our audit
Valuation of gross outstanding claims and reinsurance assets The valuation of gross outstanding claims and reinsurance assets involve a high degree of subjectivity and complexity. Reserves for losses and loss adjustment expenses represent estimates of future payments of reported and unreported claims for losses and related expenses at a given date. The Group uses actuarial methodologies to estimate these provisions. General insurance loss reserves require significant judgement relating to factors and assumptions such as inflation, claims development patterns and regulatory changes. Claims that are more complex and carry a long settlement period, often have low frequency and are of high severity are generally more difficult to project and subject to greater uncertainties than claims that are settled quickly and have a high frequency. Claims resulting from catastrophic events, require a greater degree of professional judgement in estimating the general insurance loss reserves. Therefore, given its complexity and significance, the valuation of gross outstanding claims and reinsurance assets has been considered as a key audit matter	Our procedures in respect of this key audit matter included: • We obtained an understanding, evaluated the design and tested the operating effectiveness of selected key controls over the claims estimation process including the Incurred but not Reported ("IBNR"); • We reviewed the documentation pertaining to outstanding claims which are high in value and involving longer settlement periods; • We tested the completeness and accuracy of underlying claims data that are sent to the actuary in estimating general insurance loss reserves. This includes the testing of information sent to the actuary for the determination of IBNR; • We evaluated the actuarial assumptions used by management based on the analysis of the experience to date, industry practice and the financial and regulatory requirements; • We evaluated whether the actuary has the relevant expertise and experience in this field; • We reviewed the adequacy of the disclosures made into the financial statements; and • We used professional judgement to assess the reasonableness of the determination of the claims reserve based on the available information at the time of the incident and this also enabled us to assess the reinsurance asset that was created based on the claim reserve.

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

Other Information

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or 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. Else, we have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs and the requirements of the Companies Act 2001, the Financial Reporting Act 2004 and the Insurance Act 2005, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the 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

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

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 company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

The Mauritius Companies Act 2001

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

- We have no relationship with, or interests in, the Group and the Company, other than in our capacity as auditor and dealings in the ordinary course of business;

INDEPENDENT AUDITORS' REPORT

To the Members of Eagle Insurance Limited

- We have obtained all information and explanations we have required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

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

Insurance Act 2005

The consolidated and separate financial statements have been prepared in accordance with the requirements specified by the Financial Services Commission (FSC).

RSM (Mauritius) LLP
Chartered Accountants
Moka, Mauritius

26 September 2023

Ravi KOWLESSUR, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

at 30 June 2023

		The Group		The Company	
		2023	2022	**2023**	2022
	Notes	**Rs'000**	Rs'000	**Rs'000**	Rs'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**121,785**	129,486	**121,651**	129,268
Intangible assets	5	**20,768**	3,040	**19,775**	2,047
Investment properties	6	**68,200**	66,779	**16,400**	16,058
Right of use asset	7(a)	**835**	2,159	**835**	2,159
Deferred tax assets	17	**19,623**	25,080	**23,068**	28,482
Investment in subsidiaries	8	**-**	-	**1,100**	1,100
Advances to subsidiary	8(b)	**-**	-	**32,000**	-
Amounts due from group companies	13	**-**	-	**13**	37,710
Investment in associates	9	**164,122**	140,399	**21,313**	21,313
Statutory deposits	10	**8,000**	8,000	**8,000**	8,000
Financial investments	11	**925,013**	826,242	**925,013**	826,242
		1,328,346	1,201,185	**1,169,168**	1,072,379
Current assets					
Financial investments	11	**117,262**	116,922	**117,262**	116,922
Insurance and other receivables	12	**453,546**	418,425	**453,613**	419,055
Amounts due from group companies	13	**-**	-	**-**	661
Reinsurance assets - Gross outstanding claim	14	**1,995,711**	1,164,645	**1,995,711**	1,164,645
Reinsurance assets - General insurance fund	16	**384,229**	316,870	**384,229**	316,870
Current tax receivables	19(i)	**5,571**	-	**5,466**	-
Cash and cash equivalents	25	**518,596**	575,377	**513,447**	571,526
		3,474,915	2,592,239	**3,469,728**	2,589,679
Total assets		**4,803,261**	3,793,424	**4,638,896**	3,662,058

STATEMENTS OF FINANCIAL POSITION (Continued)

at 30 June 2023

	Notes	The Group 2023 Rs'000	The Group 2022 Rs'000	The Company 2023 Rs'000	The Company 2022 Rs'000
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	15	**80,000**	80,000	**80,000**	80,000
Other reserves		**1,097,650**	1,112,475	**933,942**	976,136
Equity attributable to equity holders of the parent		**1,177,650**	1,192,475	**1,013,942**	1,056,136
Non-controlling interests		**586**	404	**-**	-
Total equity		**1,178,236**	1,192,879	**1,013,942**	1,056,136
Non-current liabilities					
Long term incentive scheme	34	**2,273**	4,575	**2,273**	4,575
Amounts due to group companies	13	**-**	-	**-**	5,400
Employee benefit and related liabilities	26(a)/(d)	**36,058**	36,697	**36,058**	36,697
Lease liabilities	7(b)	**-**	1,365	**-**	1,365
		38,331	42,637	**38,331**	48,037
Current liabilities					
Trade and other payables	18	**256,620**	213,679	**256,549**	213,551
Gross outstanding claims	14	**2,719,802**	1,819,756	**2,719,802**	1,819,756
General insurance fund	16	**609,277**	504,554	**609,277**	504,554
Current tax liabilities	19(i)	**-**	18,849	**-**	18,954
Lease liabilities	7(b)	**995**	1,070	**995**	1,070
		3,586,694	2,557,908	**3,586,623**	2,557,885
Total liabilities		**3,625,025**	2,600,545	**3,624,954**	2,605,922
Total equity and liabilities		**4,803,261**	3,793,424	**4,638,896**	3,662,058

Approved by the Board of Directors and authorised for issue on **26 September 2023** and approved on its behalf by:

Laurent DE LA HOGUE
| CHAIRMAN |

Shahannah ABDOOLAKHAN
| DIRECTOR |

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

Continuing operations	Notes	The Group 2023 Rs'000	The Group 2022 Rs'000	The Company 2023 Rs'000	The Company 2022 Rs'000
Revenue					
Gross insurance premiums		**1,916,970**	1,615,563	**1,916,970**	1,615,563
Reinsurance premiums ceded		**(1,338,405)**	(1,120,325)	**(1,338,405)**	(1,120,325)
		578,565	495,238	**578,565**	495,238
Charge from general insurance fund - Gross	16	**(104,723)**	(26,566)	**(104,723)**	(26,566)
Release to general insurance fund - Reinsurance	16	**67,359**	50,419	**67,359**	50,419
Net earned premium		**541,201**	519,091	**541,201**	519,091
Investment income	20	**11,316**	14,993	**24,575**	27,446
Finance income	21	**32,839**	20,355	**33,949**	21,643
Commission income		**201,637**	165,185	**201,637**	165,185
Other income	22(a)	**19,317**	20,531	**14,679**	16,780
Other gains/(losses) – net	22(b)	**47,875**	(32,725)	**47,875**	(32,725)
		854,185	707,430	**863,916**	717,420
Expenses					
Gross claims paid	14	**(1,554,729)**	(737,538)	**(1,554,729)**	(737,538)
Gross change in contract liabilities	14	**(900,046)**	(362,920)	**(900,046)**	(362,920)
Claims ceded to reinsurer	14	**1,165,230**	429,541	**1,165,230**	429,541
Change in contract liabilities ceded to reinsurers	14	**831,066**	326,511	**831,066**	326,511
Change in claims recovered from third party insurers		**20,947**	(15,029)	**20,947**	(15,029)
Recoveries from third party insurers		**56,360**	57,835	**56,360**	57,835
Net claims incurred		**(381,172)**	(301,600)	**(381,172)**	(301,600)
Commission expense		**(206,154)**	(168,176)	**(206,154)**	(168,176)
Administrative expenses	23	**(237,460)**	(186,674)	**(238,072)**	(184,906)
		(824,786)	(656,450)	**(825,398)**	(654,682)
Profit from operations		**29,399**	50,980	**38,518**	62,738
Finance costs	7(b)	**(62)**	(139)	**(62)**	(139)
Share of profit of associates	9	**29,116**	26,031	**-**	-
Profit before tax		**58,453**	76,872	**38,456**	62,599
Income tax expense	19(ii)	**(7,879)**	(16,297)	**(7,680)**	(16,217)
Profit for the year		**50,574**	60,575	**30,776**	46,382

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 30 June 2023

		The Group		The Company	
	Notes	**2023** Rs'000	2022 Rs'000	**2023** Rs'000	2022 Rs'000
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss *Exchange difference arising from translation of investment in associate*	9	**7,541**	23,234	**-**	-
Net loss on debt instruments at fair value through other comprehensive income	11(a)	**-**	(196)	**-**	(196)
Items that may not be reclassified subsequently to profit or loss					
Remeasurement of other post retirement benefits	26(d)(ii)	**576**	(2,010)	**576**	(2,010)
Remeasurement of retirement employee benefit liabilities recharge by holding company	26(a)(ii)	**4,485**	(1,038)	**4,485**	(1,038)
Remeasurement of retirement employee benefit employer contribution recharge by holding company		**-**	(3,917)	**-**	(3,917)
Deferred tax on remeasurement of employee benefit liabilities	17	**(860)**	518	**(860)**	518
Share of other comprehensive income/(loss) of associate	9	**246**	233	**-**	-
Net gain on equity instruments designated at fair value through other comprehensive income	11(a)	**58,829**	25,831	**58,829**	25,831
Other comprehensive income for the year, net of tax		**70,817**	42,655	**63,030**	19,188
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**121,391**	103,230	**93,806**	65,570
Profit attributable to:					
Equity holders of the parent		**50,358**	60,508	**30,776**	46,382
Non-controlling interests		**216**	67	**-**	-
		50,574	60,575	**30,776**	46,382
Total comprehensive income attributable to:					
Equity holders of the parent		**121,175**	103,163	**93,806**	65,570
Non-controlling interests		**216**	67	**-**	-
		121,391	103,230	**93,806**	65,570
EARNINGS PER SHARE	24	**6.29**	7.56	**3.85**	5.80
From continuing and discontinuing operations		**-**	-	**-**	-
From continuing operations		**6.29**	7.56	**3.85**	5.80

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Notes	Stated Capital	Property revaluation reserve	Investments valuation reserve	Foreign currency translation reserve	Actuarial reserve	Retained earnings	Attributable to equity holders the parent	Non controlling interests	Total equity
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE GROUP										
At 1 July 2021		80,000	21,622	63,422	7,248	(1,354)	938,374	1,109,312	394	1,109,706
Dividend paid		-	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	(57)	(57)
Profit for the year		-	-	-	-	-	60,508	60,508	67	60,575
Other comprehensive income for the year		-	-	25,635	23,234	(6,214)	-	42,655	-	42,655
Total comprehensive income for the year		-	-	25,635	23,234	(6,214)	60,508	103,163	67	103,230
At 30 June 2022		**80,000**	**21,622**	**89,057**	**30,482**	**(7,568)**	**978,882**	**1,192,475**	**404**	**1,192,879**
Dividend paid		**-**	**-**	**-**	**-**	**-**	**(136,000)**	**(136,000)**	**-**	**(136,000)**
Dividend paid to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(34)**	**(34)**
Profit for the year		**-**	**-**	**58,829**	**7,541**	**4,447**	**50,358**	**121,175**	**216**	**121,391**
Total comprehensive income for the year		**-**	**-**	**58,829**	**7,541**	**4,447**	**50,358**	**121,175**	**216**	**121,391**
At 30 June 2023		**80,000**	**21,622**	**147,886**	**38,023**	**(3,121)**	**893,240**	**1,177,650**	**586**	**1,178,236**

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Notes	Stated Capital	Property revaluation reserve	Investments revaluation reserve	Actuarial reserve	Retained earnings	Total
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY							
At 1 July 2021		80,000	21,622	63,422	187	845,335	1,010,566
Dividends						(20,000)	(20,000)
Profit for the year		-	-	-	-	46,382	46,382
Other comprehensive income for the year		-	-	25,635	(6,447)	-	19,188
Total comprehensive income for the year		-	-	25,635	(6,447)	46,382	65,570
At 30 June 2022		**80,000**	**21,622**	**89,057**	**(6,260)**	**871,717**	**1,056,136**
At 1 July 2022		**80,000**	**21,622**	**89,057**	**(6,260)**	**871,717**	**1,056,136**
Dividends						**(136,000)**	**(136,000)**
Profit for the year		**-**	**-**	**-**	**-**	**30,776**	**30,776**
Other comprehensive income for the year		**-**	**-**	**58,829**	**4,201**	**-**	**63,030**
Total comprehensive income for the year		**-**	**-**	**58,829**	**4,201**	**30,776**	**93,806**
At 30 June 2023		**80,000**	**21,622**	**147,886**	**(2,059)**	**766,493**	**1,013,942**

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2023

	Notes	The Group 2023	The Group 2022	The Company 2023	The Company 2022
		Rs'000	Rs'000	Rs'000	Rs'000
Cash flows from operating activities					
Profit before taxation		**58,453**	76,872	**38,456**	62,599
Adjustments for:					
Depreciation and amortisation	4/5/6/7	**14,652**	22,928	**15,647**	21,765
Profit on sale of property, plant and equipment	22	**-**	(6)	**-**	(6)
Expected credit losses on financial assets	11	**(2,310)**	(4,092)	**(2,310)**	(4,092)
Dividend income	20	**(11,316)**	(14,993)	**(24,575)**	(27,446)
Interest income	21	**(32,839)**	(20,355)	**(33,949)**	(21,643)
Interest expense on lease liabilities	7(b)	**62**	139	**62**	139
Gain/(loss) on revaluation of financial investments	11(b)	**(17,526)**	31,883	**(17,526)**	31,883
Foreign exchange (gain)/loss		**(13,130)**	(19,470)	**(7,283)**	(19,092)
Share of profits of associates	9	**(29,116)**	(26,031)	**-**	-
Provision for employee benefit obligations	26	**639**	(3,033)	**639**	(3,033)
Release from general insurance fund - Gross	16	**104,723**	26,565	**104,723**	26,565
Release to general insurance fund - Reinsurance	16	**(67,359)**	(50,419)	**(67,359)**	(50,419)
Operating profit before working capital changes		**4,933**	19,988	**6,525**	17,220
(Increase)/decrease in insurance and other receivables		**(35,120)**	3,416	**(34,558)**	2,153
Increase in reinsurance assets - Gross outstanding claims	14	**(831,066)**	(326,512)	**(831,066)**	(326,511)
Increase in Gross outstanding claims	14	**900,046**	362,920	**900,046**	362,920
Increase in long term incentive scheme	34	**(2,302)**	(228)	**(2,302)**	(228)
Increase/(decrease) in trade and other payables		**35,628**	(64,917)	**35,653**	(64,645)
		67,186	(25,321)	**67,773**	(26,311)

STATEMENTS OF CASH FLOWS (Continued)

For the year ended 30 June 2023

	Notes	The Group 2023 Rs'000	The Group 2022 Rs'000	The Company 2023 Rs'000	The Company 2022 Rs'000
Cash generated from operations		**72,119**	(5,333)	**74,298**	(9,091)
Interest received		**32,839**	20,355	**33,949**	21,643
Dividends received		**11,316**	11,093	**24,575**	23,546
Taxation paid	19(i)	**(27,568)**	(507)	**(27,529)**	(292)
Taxation refund	19(i)	**-**	2,197	**-**	2,061
Interest paid		**(62)**	(139)	**(62)**	(139)
Repayment of principal portion - lease liabilities	7	**(1,440)**	(933)	**(1,440)**	(933)
Net cash generated from operating activities		**87,204**	26,733	**103,791**	36,795
Cash flows from investing activities					
Decrease/(increase) in amounts due from group companies		**-**	-	**661**	(22)
Purchase of financial investments	11	**(258,666)**	(348,331)	**(258,666)**	(348,331)
Dividend received from associates	9(a)	**13,180**	12,320	**-**	-
Proceeds from sale of financial investments	11	**260,110**	318,382	**260,110**	318,382
Purchase of property, plant and equipment	4	**(5,627)**	(760)	**(5,627)**	(760)
Purchase of intangible assets	5	**(19,149)**	(365)	**(19,149)**	(365)
Proceeds from sale of property, plant and equipment		**-**	56	**-**	56
Net cash used in investing activities		**(10,152)**	(18,698)	**(22,671)**	(31,040)
Dividends paid to owners of the Company		**(136,000)**	-	**(136,000)**	-
Dividend paid to non-controlling interests		**(34)**	(57)	**-**	-
Loan from Group Companies		**-**	-	**(5,400)**	5,400
Net cash used in financing activities		**(136,034)**	(57)	**(141,400)**	5,400
(Decrease)/increase in cash and cash equivalents		**(58,982)**	7,978	**(60,280)**	11,155
Cash and cash equivalents at beginning of the year		**575,377**	565,129	**571,526**	558,101
Exchange gains on cash and cash equivalents		**2,201**	2,270	**2,201**	2,270
Cash and cash equivalents at end of the year	25	**518,596**	575,377	**513,447**	571,526

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. GENERAL INFORMATION

Eagle Insurance Limited (the "Company") is a limited liability company incorporated and domiciled in Mauritius. The Company's registered office is situated at 4th Floor, IBL House, Caudan Waterfront, Port Louis. The Company, its subsidiaries and its associates are collectively referred to as the "Group".

The Company carries out short term insurance comprising of general insurances and covers the following:

- Accident and Health
- Engineering
- Fire and allied perils
- Motor
- Transportation

The activities of the subsidiary companies are disclosed in note 8(b).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and the Company are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention except for freehold building and certain available-for-sale investments that are measured at revalued amounts or fair values, as explained in the accounting policies, and in accordance with IFRSs.

2.3 Basis of consolidation

The financial statements include the results of the Company and of its subsidiaries. The results of the subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date of acquisition or up to the date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company. Control is achieved when the Company:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Basis of consolidation (Continued)

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

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Non-controlling interests in the net assets of the subsidiary are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests of changes in equity since the date of the combination. Losses applicable to the minority in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

When the Group loses control of a subsidiary, the profit or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes for accounting standards and interpretations relevant to the Company's operations are disclosed below. Although these new standards and amendments applied for the first time during the financial year, they did not have a material impact on the financial statements of the Company.

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS as from 1 July 2022:

Standards and Amendments	Effective for accounting period beginning on or after
Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform (IAS 39)	1 July 2022
Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (IFRS 7)	1 July 2022
Business combinations - Amendments to Conceptual framework (IFRS 3)	1 July 2022
Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts-Cost of Fulfilling a Contract (IAS 37)	1 July 2022
Financial Instruments (IFRS 9) - Annual Improvements to IFRS Standards 2018-2020 - Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform	1 July 2022
Leases (IFRS 16) - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification (IFRS 16) - Amendments regarding replacement issues in the context of the IBOR reform.	1 July 2022

The adoption of the above amended standards did not have a material impact on the Company's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Accounting Standards and Interpretations issued but not yet effective

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Group has not early adopted them. The Group intends to adopt these standards, amendments and interpretation when they become effective.

New or revised standards	Effective for accounting period beginning on or after
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2023
Presentation of Financial Statements -Disclosure of Accounting Policies	1 January 2023
Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2023
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)	1 January 2023

Where the adoption of the new and amended IFRSs have an impact on the financial statements of the Group, the effect of the changes is described below:

The Conceptual Framework for Financial Reporting

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

IFRS 17 Insurance Contracts

Introduction

The IASB issued IFRS 17 Insurance Contracts in May 2017 and on June 25, 2020, the IASB issued amendments to the standard. The effective date of IFRS 17 is for annual reporting periods beginning on or after 1 January 2023. Hence The Group shall apply the standard retrospectively on 1 July 2023 with restatement of comparatives for the 2023 financial period.

Project Governance and Progress

The Group established an IFRS 17 implementation programme to coordinate the efforts and deliver the necessary processes and requirements of the Group to successfully implement the standard. The implementation programme is in its advanced stages, and the Group has commenced efforts to perform its parallel run.

Accounting policy papers and actuarial methodologies have been provisionally prepared and will be subject to refinement based on the practical outcomes of the implementation phase.

As at 30 June 2023, the parallel run for the Group is still in progress. The actuarial and finance team are closely monitoring all technical developments from the IASB and industry to evaluate the effects of such developments, and, where applicable, align the policy and methodology papers accordingly.

The implementation of IFRS 17 is significant for the Group's and Group's insurance activities, specifically in areas such as recognition, measurement and presentation in the statement of comprehensive income, the level of transparency of the measurement components and significant additional disclosure requirements. Significant effort has been applied to the technical interpretation of the standard and the corresponding decisions required.

The Group will focus on the following key areas during the 2024 financial period:

- Finalize the parallel run for the 2023 financial period.
- Assess disclosures for transition, interim financial statements, and annual financial statements.
- Refining remaining internal financial controls to ensure accuracy of reporting.
- Engage external auditors for the sign-off of June 2023 results (the comparative year) under IFRS 17.

Classification

The definition and scope of contracts to be measured under IFRS 17 are largely aligned to IFRS 4 for the Group, and therefore the Group will apply IFRS 17 to all insurance contracts issued and reinsurance contracts held.

Once a contract has been classified as an insurance contract, the classification remains unchanged for the remainder of its lifetime, even if the insurance risk reduces significantly during the coverage period, unless the terms of the contract are modified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

A contract is classified as an insurance contract where the Group provides insurance coverage by accepting significant insurance risk when agreeing with the policyholder to pay benefits if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary.

Where a distinct investment component, service component or embedded derivative are identified within the insurance contracts, these components are required to be separated out and measured under another applicable account standard.

No distinct investment component, service component or embedded derivative have been identified within the Group's contracts that require being unbundled and measured separately.

Some insurance or reinsurance contracts entered into by the Group may include an amount that meets the definition of a 'non-distinct investment component' under IFRS 17. The NDIC is the amount that an insurance or reinsurance contract requires to be repaid to a policyholder or cedant respectively in all circumstances, regardless of whether an insured event occurs. Given that the potential investment components are deemed non-distinct, they are not required to be separated out from the contract to be measured separately.

Unit of account

Portfolios are established for insurance contracts that have similar risks and are managed together. Contracts within each portfolio are further grouped into cohorts of contracts not issued more than a year apart.

The contracts are further divided into a minimum of three expected profitability groupings, namely those that are onerous, those that have a significant risk of becoming onerous over time, and the remaining contracts.

Measurement

The accounting model applied to these insurance contracts, including reinsurance contracts issued and/or held, for liability measurement purposes is either the General Measurement Model (GMM) or the Premium Allocation Approach (PAA).

Based on assessments performed to date, the Group does not have contracts which meet the definition of insurance or investment contracts with discretionary participation features. Therefore, the Group does not expect to apply the Variable Fee Approach (VFA) measurement model to insurance contracts in the Group.

The PAA is a modification of the GMM that allows the use of a simplified approach for measuring the insurance contract liabilities for certain eligible types of contracts.

The Group may apply the PAA to measure a group of insurance/reinsurance contracts issued or reinsurance held if, at inception of the group:

- the coverage period of each contract in the group of insurance contracts is one year or less; or
- the Group reasonably expects that the PAA would produce a measurement of the liability or asset for remaining coverage for a group of insurance contracts that would not differ materially from the measurement that would be achieved by applying the requirements of the GMM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

Given that the nature of the contracts entered into by the Group are largely short-term in nature, most of the contacts entered into by the Group are expected to be automatically eligible for the PAA measurement based on the first criterion above.

Where the coverage period for a group of contracts is greater than one year, the Group will assess the appropriateness of the PAA measurement model by performing quantitative PAA eligibility testing based on the second criterion above. Scenario testing will be performed by updating the projected fulfilment cash flows (best estimates and corresponding risk adjustments) under reasonably expected scenarios, which would be expected to affect cash flow variability.

The standard provides that the liability for remaining coverage (LRC) of insurance contracts and asset for remaining coverage (ARC) for reinsurance contracts be measured as:

- Fulfilment cash flows, that is, the present value of future cash flows necessary to fulfil insurance obligations under the contract; plus
- A risk adjustment for non-financial risk; and
- The contractual service margin (CSM) (representing unearned profit).

Under the simplified approach (PAA), the insurance and reinsurance groups of contracts are measured as the premiums received less acquisition costs (if the accounting policy choice was made to defer acquisition costs).

The liability for incurred claims (LIC) is measured as the best estimate of the present value of future cash flows necessary to fulfil a claim and associated expenses, plus an explicit risk adjustment for non-financial risk and applies to both GMM and PAA.

Transition approaches

If it is impracticable to apply IFRS 17 fully retrospectively, an entity can choose either a modified retrospective or a fair value approach to measure the initial IFRS 17 balances on the first retrospective restatement date (1 July 2022).

The Group intends to apply IFRS 17 as of 1 July 2023 on a fully retrospective basis for all its portfolios, unless deemed impractical to do so. For such portfolios where it is assessed to be impracticable, the modified retrospective approach will be applied.

Comparative figures for 2023 will be restated as required, with any adjustments to the carrying amounts of insurance and reinsurance assets and liabilities at the date of transition (being 1 July 2022), will be recognised in the opening balance of retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Accounting Standards and Interpretations issued but not yet effective (Continued)

Definition of a Business-Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendment is applied prospectively and the entity is not expecting an impact.

Definition of Material-Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Impact

Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

2.6 Property, plant and equipment

Subsequent to the initial recognition at cost, land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the revalued property does not differ materially from its carrying amount at the reporting date.

Any revaluation increase arising on the revaluation of such property is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Other plant and equipment are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses.

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

2.7 Depreciation

Depreciation on revalued property is recognised in profit or loss and the surplus on the revalued property is transferred annually from property revaluation reserve to retained earnings. The amount transferred is computed on the difference between depreciation based on the revalued amount of the asset and depreciation based on the asset's original cost.

No depreciation is provided on furniture and equipment under renovation work-in-progress, until the project has been completed or intended for use. Depreciation on property, plant and equipment is recognised so as to write off the cost or revalued amount of the assets less their residual values over their useful lives, using the straight-line method as follows:

Building	2.00%
Furniture and equipment	20.00%
Computer equipment	33.33%
Motor vehicles	16.67%

2.8 Intangible asset and amortisation

(a) Goodwill

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

Goodwill is tested annually for impairment and is allocated to cash-generating units for the purpose of impairment testing.

On disposal of subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

(b) Computer software

Computer software is stated at cost less accumulated amortisation. Amortisation of computer software is calculated to write off its cost on a straight-line basis over its estimated useful life of 3 to 6 years.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Leases

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Short-term leases and low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Investment in subsidiary

In the Company's financial statements, investment in subsidiary was stated at cost. The carrying amount is reduced if there is any indication of impairment in value.

2.11 Investment in associates

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

Investments in associates are accounted for at cost in the company's account and under the equity method in the Group accounts. The Group's share of the associates' profit or loss and other comprehensive income for the year is recognised in the statement of profit or loss and other comprehensive income and the Group's interest in the associates are carried in the statement of financial position at an amount that reflects its share of the net assets of the associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associates recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment on an annual basis as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of profit or loss and other comprehensive income.

Where the Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2.12 Financial assets

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 recognized immediately in the Statement of profit or loss.

Initial recognition and measurement

Financial assets are classified at initial recognition as measured at amortised cost, fair value through profit or loss ("FVTPL"), and fair value through other comprehensive income ("FVOCI").

This classification depends on whether the financial asset is a debt or equity investment. The following table shows the classification of the different types of financial assets:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

Classification	Type of financial assets included
Fair value through profit or loss	Quoted and unquoted securities
Fair value through other comprehensive income	Quoted and unquoted securities
Amortised cost	Deposits, corporate bonds, government bonds, treasury bills, and treasury notes, amount due from group companies.

Financial assets at amortised cost

The Group only measures debts investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

If either of the two criteria above is not met, the debt instrument is classified as 'fair value through profit or loss. The Group has not designated any debt investment measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

A gain or loss on a debt investment that is subsequently measured at amortized cost is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method. Interest revenue shall be calculated by using the effective interest method.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has not reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Financial assets through other comprehensive income

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Impairment gains and losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

For all other equity investments not classified as fair value through profit or loss, the Group can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss.

Where the Group's management has elected to present unrealized and realised fair value gains and losses on equity investments in other comprehensive income, there is no subsequent recycling of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

Financial assets through profit or loss

The Group classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in profit or loss and presented as part of 'realised gains/losses- net' in the period in which they arise.

Interest and dividend income or expense is recorded in profit or loss according to the terms of the contract, or when the right to payment has been established.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- The Company has transferred its rights to receive cash flows from the asset and either (a) 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.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Financial assets carried at amortised cost

Overview of the ECL principles

From 1 January 2018, the Group has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL, in this section all referred to as 'financial instrument'. Equity instruments are not subject to impairment under IFRS 9.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

The ECL allowance is based on the credit loss expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 3.2.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment at the end of each reporting period of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The calculation of ECLs

The Group calculates ECLs based on a four probability-weighted scenario to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3: For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.13 Financial liabilities

Financial liabilities are classified as 'other financial liabilities.'

Other financial liabilities (including trade and other payables, loans, deposits from customers and gross outstanding claims) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or loans and borrowings as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial liabilities (Continued)

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

The Group's financial liabilities include trade and other payables.

Subsequent measurement

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate "EIR" method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

Derecognition

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

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expenses will not be offset in the profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

2.14 Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is charged to the statement of profit or loss. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

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

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

Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

2.16 Provision for unearned premiums

The provision for unearned premiums represents that part of the written premiums on short-term insurance contracts, gross of commission payable to intermediaries, that is estimated to be earned in subsequent periods. Unearned premiums are computed on 1/24th method. The change in the provision is recorded in the statement of profit or loss and other comprehensive income to recognise revenue over the period of the risk. The provision is released to or from the General Insurance Fund. The provision is derecognised when the contract expires, is discharged or cancelled.

2.17 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods but it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Taxation (Continued)

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis. (iii) Current and deferred tax for the year Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee benefits and related liabilities

Defined benefit plan that share risks between entities under common control

The Company's holding company, IBL Ltd, operates a group defined benefit plan which is wholly funded and covers some current and former employees of the company. Effective 01 July 2019, the Company has entered into an agreement with its holding company to recharge pension costs and liabilities relating to current and former employees under the IBL group plan. The accounting for the transfer of liability on 01 July 2019 is recorded in the statement of profit or loss.

Subsequently, remeasurement comprising actuarial gains and losses, the effect of the changes on the return on plan assets is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in actuarial reserve and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expenses or income and remeasurement

An actuarial valuation is carried out every year.

Gratuity on retirement/other post-retirement benefits

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 Swan Life Ltd and provided for. The obligations arising under this item are not funded.

2.19 Outstanding claims

Outstanding claims represent the estimated liability for claims reported plus losses incurred but not yet reported and the related loss adjustment expenses. Claims and loss adjustment expenses are charged to the statement of profit or loss and other comprehensive income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claim settlement costs and arise from events that have occurred up to the end of the reporting period even if they have not yet been reported to the Company. The liability for losses and loss adjustment expenses is determined using "case basis" evaluations and statistical analysis and represents an estimate of the ultimate cost of all losses incurred but not paid at the end of the reporting period. Although considerable variability is inherent in such estimates, management believes that the liability for unpaid losses and loss adjustment expenses is adequate. These estimates are continually reviewed and adjusted as necessary, such adjustments are reflected in current operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Salvage and subrogation reimbursements

Some insurance contracts permit the company to sell property acquired in settling a claim (i.e., Salvage). The Company may also have the right to sue third parties for payment of some or all the costs incurred (i.e., subrogation). Estimate of salvage recoveries are included as allowance in the measurement of the insurance liability for claims, and salvage property is recognised in other assets when the liability is settled.

2.21 Liability adequacy

At the end of each reporting period the Company performs a liability adequacy test on its insurance liabilities to ensure that the carrying value is adequate, using current estimates of future cash flows (including claims handling and related costs), taking into account the relevant investment return. If that assessment shows that the carrying amount of the liabilities is inadequate, any deficiency is recognised as an expense to the statement of profit or loss and other comprehensive income by recognising an additional liability for claims provisions or recognising a provision for unexpired risks.

2.22 Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2.23 General insurance fund

The general insurance fund represents the portion of premiums written on short-term insurance contracts relating to periods of insurance risks subsequent to the reporting date. Unearned premiums are computed on 1/24th method. The movement on the provision is taken to profit or loss. The provision is derecognized when the contract expires, is discharged or cancelled.

2.24 Revenue recognition

General business

Gross premiums on general business are earned on a pro-rata basis over the term of the policy coverage. The movement on the provision for unearned premiums is transferred to the general insurance fund based on the 1/24th method. Premiums are shown gross of commission.

Other revenues

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

- Dividend income is recognised when the shareholder's right to receive payment is established.
- Commission income from reinsurers is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- Profit commission from reinsurers is recognised on an accrual basis.
- Interest income on deposits is recognised on a time basis using effective interest method

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Reinsurance

The Group enters into reinsurance contracts in the normal course of business in order to limit the potential for losses arising from certain exposures. Outwards reinsurance premiums are accounted for in the same period as the related premiums for the direct or inwards reinsurance business being reinsured.

Reinsurance liabilities comprise premiums payable for outwards reinsurance contracts and are recognised as an expense when due.

Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses. Reinsurance assets are measured consistently with the amounts associated with the underlying insurance or investment contracts and in accordance with the terms of the reinsurance contract. Reinsurance is recorded as an asset unless a right of set-off exists, in which case the associated liabilities are reduced to take into account of reinsurance.

Reinsurance assets are subject to impairment testing and the carrying amount is reduced to its recoverable amount. The impairment loss is recognised in the statement of profit or loss and other comprehensive income. The asset is impaired if objective evidence is available to suggest that it is probable that the Group will not be able to collect the amounts due from reinsurers.

Gains and losses on buying reinsurance are recognised in income at the date of purchase and are not amortised.

2.26 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.27 Cash and cash equivalents

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

2.28 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Mauritian rupees, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated into the entity's functional currency at the rates of exchange prevailing at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Foreign currencies (Continued)

Exchange differences arising on the settlement and the retranslation of monetary items are recognised in the statement of profit or loss and other comprehensive income. For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are expressed in Mauritian rupees using exchange rates prevailing at the end of each reporting period. Their results for the period are translated into Mauritian rupees at average exchange rates for the period. The exchange differences arising from translation of the foreign operations are taken to the Group's translation reserve.

2.29 Related Parties

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

2.30 Expenses

Expenses are recognised on accruals basis in the statement of profit or loss and other comprehensive income.

2.31 Investment property

Properties held to earn rentals or capital appreciation or both and not occupied by the Group are classified as investment properties. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss under other income (Note 22). Fair values are determined based on the valuation performed by an accredited external, independent valuer.

Investment properties are derecognized when either these have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss other income (Note 22) in the year of retirement or disposal. Transfers made to or from investment properties are only made when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES

Estimates and judgements are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant under the circumstances.

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:

Estimates

3.1 Insurance contracts

The uncertainty inherent in the financial statements of the Group arises mainly in respect of insurance liabilities, which include outstanding claims provision (including IBNR). In addition to the inherent uncertainty when estimating liabilities, there is also uncertainty as regards the eventual outcome of claims. As a result, the Group applies estimation techniques to determine the appropriate provisions.

These estimates are described below.

The estimation of ultimate liability arising from the claims made under insurance contracts is one of the Group's most critical accounting estimates. There are sources of uncertainty that need to be considered in the estimate of the liability that the Group will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the reporting date. The Group uses a range of actuarial methodologies to estimate these provisions. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Group and management estimates based on past claims settlement trends for the claims incurred but not reported. General insurance loss reserves require significant judgment relating to factors and assumptions such as inflation, claims development patterns and regulatory changes.

Specifically, long-tail lines of business, which often have low frequency, high severity claims settlements, are generally more difficult to project and subject to greater uncertainties than short-tail, high frequency claims. Furthermore, not all catastrophic events can be modelled using actuarial methodologies, which increases the degree of judgment needed in estimating general insurance loss reserves. At each reporting date, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

The Group adopts multiple techniques to estimate the required level of provisions, thereby setting a range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and risks involved. Refer to Note 14 Gross outstanding claims.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES (Continued)

3.2 Provision for expected credit losses

As disclosed in the accounting policies, the ECL calculation requires the use of significant estimates to calculate the probability of default, the exposure at default and the loss given default. These require estimation of the likelihood of default over a certain time horizon, the estimate of exposure of future default dates and estimates of the loss arising in the case where a default occurs at a given time. In its ECL models, the Company relies on a broad range of information, such GDP growth and unemployment rates.

3.3 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 38 Fair Value Measurements.

3.4 Useful lives, residual values and revaluation of property, plant and equipment

Determining the carrying amounts of property, plant and equipment requires the estimation of the useful lives and residual values of these assets which carry a degree of uncertainty. The directors have used historical information relating to the Group and the relevant industries in which the Group's entities operate in order to best determine the useful lives and residual values of property, plant and equipment. Refer to Note 4 Property, plant and equipment.

3.5 Revaluation of land and buildings

The buildings are measured at fair value based on periodic valuations by external independent valuers and as estimated by the directors and management based on reference to their knowledge on the current market evidence of transaction prices for similar properties. In arriving at the valuation, assumptions and economic estimates have to be made. The actual results could differ from their estimates and the directors and management consider they have used their best estimates to arrive at fair value of the properties. Refer to Note 4 Property, plant and equipment.

3.6 Recoverable amount on insurance and other receivables

In preparing those consolidated financial statements, the directors have made estimates of the recoverable amounts of insurance and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involves an assessment of the financial condition of the debtors concerned and estimate of the timing and the extent of cash flows likely to be received by the Group. Refer to Note 12 Insurance and other receivables.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES (Continued)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

3.7 Employee benefits liabilities

The cost of defined benefit pension plans and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The directors believe that the future salary increase is appropriate in the current economic situation. Also, the actuarial specialists believe that the bonds issued on the primary market and the secondary market is appropriate to determine the discount rates for the Group's defined benefits pension plan

3.8 Estimating the incremental borrowing rate

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

3.9 Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to Note 38 Fair Value Measurements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING ESTIMATES (Continued)

3.10 Leases Determining the lease term of contracts with renewal and termination options

Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The Group included the renewal period as part of the lease term with shorter non-cancellable period (12 months). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
THE GROUP					
Cost or valuation					
At 1 July 2022	110,100	47,406	34,894	638	193,038
Additions	-	-	5,627	-	5,627
At 30 June 2023	**110,100**	**47,406**	**40,521**	**638**	**198,665**
Accumulated depreciation					
At 1 July 2022	2,293	27,573	33,097	589	63,552
Charge for the year	2,294	9,480	1,554	-	13,328
At 30 June 2023	**4,587**	**37,053**	**34,651**	**589**	**76,880**
Net book value					
At 30 June 2023	105,513	10,353	5,870	49	121,785
At 30 June 2022	**107,807**	**19,833**	**1,797**	**49**	**129,486**

Note relating to both the Group and the Company:

(i) None of the property, plant and equipment were pledged.
(ii) For the year under review, the freehold building was not revalued.

The Company's policy is to revalue its property every 3 years unless there is evidence that the fair value of the asset differ materially from the carrying amount. The last valuation took place on 11th August 2021 by Elevante Property Services Ltd.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

4. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Freehold building	Furniture and equipment	Computer equipment	Motor vehicles	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
THE COMPANY					
Cost or valuation					
At 1 July 2022	110,100	46,982	34,895	638	192,616
Additions	-	-	5,627	-	5,627
At 30 June 2023	**110,100**	**46,982**	**40,522**	**638**	**198,243**
Accumulated depreciation					
At 1 July 2022	2,293	27,369	33,097	589	63,348
Charge for the year	2,294	9,396	1,554	-	13,244
At 30 June 2023	**4,587**	**36,765**	**34,651**	**589**	**76,592**
Net book value					
At 30 June 2023	**105,513**	**10,217**	**5,871**	**49**	**121,651**
At 30 June 2022	107,807	19,613	1,798	49	129,268

If freehold building had been stated at historical cost, the amounts would be as follows:

	The Group and the Company	
	2023	2022
	Rs'000	Rs'000
Cost	**87,551**	87,551
Accumulated depreciation	**(7,004)**	(5,253)
Net	**80,547**	82,298

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

5. INTANGIBLE ASSETS

	The Group			The Company	
	Goodwill	Computer Software	Total	Computer Software	Total
Cost	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2021	993	58,264	59,257	58,264	58,264
Additions	-	365	365	365	365
At 30 June 2022	993	58,629	59,622	58,629	58,629
Additions	-	19,149	19,149	19,149	19,149
At 30 June 2023	**993**	**77,778**	**78,771**	**77,778**	**77,778**
Accumulated amortisation					
At 1 July 2021	-	52,135	52,135	52,135	52,135
Charge for the year	-	4,447	4,447	4,447	4,447
At 30 June 2022	-	56,582	56,582	56,582	56,582
Charge for the year	-	1,421	1,421	1,421	1,421
At 30 June 2023	**-**	**58,003**	**58,003**	**58,003**	**58,003**
Net book value					
At 30 June 2023	**993**	**19,775**	**20,768**	**19,775**	**19,775**
At 30 June 2022	993	2,047	3,040	2,047	2,047

The estimated remaining useful life of computer software ranges from 1 to 6 years for 2023 (2022: 1 to 6 years).

Goodwill has been allocated to the general business segment for impairment testing purposes of cash generating units (CGU's) The directors have reviewed the carrying amount of the good will allocated to the CGU and they are of the opinion that the goodwill is not impaired at reporting date.

6. INVESTMENT PROPERTY

(i) Fair Value	The Group 2023 Rs'000	The Group 2022 Rs'000	The Company 2023 Rs'000	The Company 2022 Rs'000
At 1 July	**66,779**	68,200	**16,058**	16,400
Other movements	**1,421**	(1,421)	**342**	(342)
At 30 June	**68,200**	66,779	**16,400**	16,058

(ii) Maturity Analysis of the rental payments	The Group 2023 Rs'000	The Group 2022 Rs'000	The Company 2023 Rs'000	The Company 2022 Rs'000
Within 1 year	**4,269**	4,284	**1,431**	1,350
Between 1 to 5 years	**7,716**	12,425	**4,736**	6,109
Total undiscounted value of the rental payments	**11,985**	16,709	**6,167**	7,459

Group as lessor

The Group has entered into operatingleases on its investment property consisting of freehold building. The leases have terms of five years. The leases include a clause to enable upward revision of the rental charge on an annual basis.

Rental income generated from the investment property amounted to Rs. 5,203,884 (2022: Rs. 5,066,141). Direct operating expenses amounted to Rs. 2,032,445 (2022: Rs. 2,379,484). For the year under review, the freehold building was not revalued.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

7. LEASES

(a) Right of use asset	The Group and The Company 2023 Rs'000	2022 Rs'000
At 1 July	**2,159**	3,154
Depreciation	**(1,324)**	(995)
At 30 June	**835**	2,159

The table below describes the nature of the Group's leasing activities by type of right-of-use asset on the statement of financial position:

Right-of-use asset	No. of ROU asset leased	Range of remaining term-years	No. of leases with extension options	No. of leases with termination options
Office building	2	1-1.8	2	2

(b) Lease liabilities

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

	The Group and The Company 2023 Rs'000	2022 Rs'000
Charge for the year	**4,229**	4,229
At 1 July	**2,435**	3,423
Accretion of interest	**62**	139
Payments	**(1,502)**	(1,127)
At 30 June	**995**	2,435
Analysed as:		
Current	**995**	1,070
Non-current	**-**	1,365
	995	2,435

7. LEASES (Continued)

(c) Amounts recognised in the statement of profit or loss

The following are the amounts recognised in profit or loss:

	2023 Total Rs'000	2022 Total Rs'000
Depreciation expense of right-of-use assets	**1,324**	995
Interest expense on lease liabilities	**62**	139
Total amount recognised in profit or loss	**1,386**	1,134

The total cash outflow for leases in 2023 was Rs 1.5m

(d) Lease maturity analysis of the lease liabilities

	The Group and The Company	
	2023 Rs'000	2022 Rs'000
Contractual undiscounted cash flows		
Within 1 year	**995**	692
Between 1 to 5 years	**-**	1,871
Total undiscounted lease liabilities at 30 June	**995**	2,563

The effective interest rates at the end of reporting date were 4.79% - 4.98%.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

8. INVESTMENT IN SUBSIDIARIES

	The Company	
	2023 Rs'000	2022 Rs'000
(a) Unquoted investment at cost, less impairment		
At 1 July and 30 June	**1,100**	1,100
Less: impairment	**-**	-
At 1 July and 30 June	**1,100**	1,100
(b) Advances to subsidiary		
(i) At 1 July and 30 June	**-**	-
Capital contribution awaiting to be converted into ordinary shares	**32,000**	-
Less: impairment	**-**	-
At 1 July and 30 June	**32,000**	-

(ii) During the year, the directors of the Company resolved to convert the loan receivable from Eagle Investment Property Limited, a subsidiary of the Company into equity. The Company converted the loan into capital contribution awaiting for allotment of shares.

(c) Details of subsidiaries at end of reporting period

Name of subsidiaries	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group	
		2023	2022
Speciality Risk Solutions Ltd*	Mauritius	**70%**	70%
Eagle Investment Property Ltd	Mauritius	**100%**	100%

*Proportion of ownership of non-controlling interest is 30%

d) There was no non-wholly owned subsidiary that have material non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

9. INVESTMENT IN ASSOCIATES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(a) Unquoted investment				
At 1 July	**140,399**	103,221	**21,313**	21,313
Share of post tax profit (net)	**29,116**	26,031	**-**	-
Share of other comprehensive profit	**246**	233	**-**	-
Dividend*	**(13,180)**	(12,320)	**-**	-
Translation difference	**7,541**	23,234	**-**	-
At 30 June	**164,122**	140,399	**21,313**	21,313

Dividend includes dividend receivable of Rs Nil (2022: Rs 6.5 M)

(b) Details of the associates at end of reporting period

Name of subsidiaries	Year End	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by The Group	
				2023	2022
H Savy Insurance Company Ltd	30 June	General and life insurance business	Seychelles	**20%**	20%
Medscheme (Mtius) Ltd	30 June	Medical insurance and provident fund administrator	Mauritius	**30%**	30%

The activities of the above associates are strategic to the Group's activities and are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

9. INVESTMENT IN ASSOCIATES (Continued)

(c) Summarised financial information in respect of the associates is set out below:-

	Medsheme (Mtius) Ltd		H Savy Insurance Company Ltd	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current assets	**23,138**	28,289	**769,866**	577,429
Non-current assets	**56,848**	38,821	**723,242**	700,872
Current liabilities	**(15,551)**	(7,404)	**(199,227)**	(182,733)
Non-current liabilities	**(7,319)**	(14,301)	**(588,110)**	(490,848)
Equity attributable to owners of the Company	**57,116**	45,405	**705,771**	604,720

	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Revenue	**69,419**	72,609	**966,714**	734,739
Profit from operations	**11,738**	14,097	**129,248**	107,796
Other comprehensive loss for the year arising on remeasurement of employee benefit liabilities	**820**	775	**-**	-
Total comprehensive income for the year	**12,558**	14,872	**129,248**	107,796
Dividend from associates	**-**	-	**13,180**	12,320

Reconciliation of summarised information from management accounts to the carrying amount of the interest in associate recognised in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

9. INVESTMENT IN ASSOCIATES (Continued)

	Medsheme (Mtius) Ltd		H Savy Insurance Company Ltd	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net assets of the associate	**57,116**	45,405	**705,771**	604,720
Proportion of the ownership interest in the associates	**30%**	30%	**20%**	20%
Carrying amount of the interest in the associates	**17,135**	13,622	**141,154**	(120,944)
Reconciliation:				
Goodwill on acquisition	**5,833**	5,833	**-**	-
Carrying amount of the interest in the associates	**22,968**	19,455	**141,154**	120,944

10. STATUTORY DEPOSITS

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July and June 30,		
Analysed as:	**8,000**	8,000
Non-current	**8,000**	8,000

The statutory deposits are pledged in favour of the Financial Services Commission.

The statutory and other deposits have earned interest varying from 3% to 4.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**943,164**	915,248
Additions	**258,666**	348,331
Interest	**1,305**	(127)
Disposals	**(260,110)**	(318,382)
Change in fair value	**72,548**	(15,750)
Expected credit losses	**2,310**	4,092
Exchange difference	**24,392**	9,752
At 30 June	**1,042,275**	943,164
Analysed as:		
Non-current	**925,013**	826,242
Current	**117,262**	116,922
	1,042,275	943,164

The breakdown of fair value measurements is shown in Note 36.

Analysed as follows:

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Financial assets at fair value through other comprehensive income (Note 11(a))	**257,736**	244,563
Financial assets at fair value through profit or loss (Note 11(b))	**268,522**	234,740
Debt at amortised cost (Note 11(c))	**516,018**	463,861
	1,042,275	943,164
Quoted	**556,145**	439,973
Unquoted	**486,130**	503,191
	1,042,275	943,164

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

(a) Financial assets at fair value through other comprehensive income (continued)

	The Group and The Company	
	2022	2023
	Rs'000	Rs'000
Analysed as follows;		
At 1 July	**244,563**	244,017
Additions	**24,691**	23,255
Disposals	**(76,239)**	(49,079)
Change in fair value	**58,829**	25,635
Exchange difference	**5,892**	784
Expected credit loss	**-**	3
Interest	**-**	(52)
At 30 June	**257,736**	244,563
Equity instruments:		
Quoted equity securities	**105,480**	112,405
Unquoted equity securities	**152,256**	132,158
	257,736	244,563
Fair value movement		
Equity instrument	**58,829**	25,831
Debt instrument	**-**	(196)
	58,829	25,635

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

(a) Financial assets at fair value through other comprehensive income (continued)

(ii) Impairment losses on financial investments subject to impairment assessment

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	The Group and The Company			
	2023			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
Gross carrying amount as at 1 July	-	-	-	-
New asset purchased		-	-	-
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Transfer to Stage 1		-	-	-
Transfer to Stage 2		-	-	-
Transfer to Stage 3		-	-	-
Amortisation adjustments		-	-	-
At June 30,	-	-	-	-

	The Group and The Company			
	2023			
	Stage 1 Collective	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
ECL allowance as at 1 July,	-	-	-	-
New assets purchased		-	-	-
Assets derecognised or matured (excluding write-offs)	-	-	-	-
Impact of net- remeasurement of year end ECL		-	-	-
At June 30,	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at 1 July	10,220	-	-	10,220
New asset purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	(10,220)	-	-	(10,220)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	-	-	-	-
At June 30,	-	-	-	-

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	(3)	-	-	(3)
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	3	-	-	3
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

(b) Financial assets at fair value through profit or loss

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**234,740**	314,524
Additions	**68,379**	161,522
Disposals	**(52,123)**	(209,423)
Fair value adjustments	**17,526**	(31,883)
At 30 June	**268,522**	234,740

	2023	2022
Analysed as follows:	**Rs'000**	Rs'000
Local - Listed	**15,856**	12,405
Others	**252,666**	222,335
Total financial assets at fair value through profit or loss	**268,522**	234,740
Analysed as follows:		
Non-current	**268,522**	234,740
	268,522	234,740
Quoted	**213,740**	187,813
Unquoted	**54,782**	46,927
	268,522	234,740

11. FINANCIAL INVESTMENTS (Continued)

(c) Debt at amortised cost

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**463,861**	356,707
Additions	**171,484**	163,553
Disposals	**(131,748)**	(59,881)
Expected credit losses	**2,310**	4,089
Exchange movements	**8,806**	(532)
Interests	**1,305**	(75)
At 30 June	**516,017**	463,861

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Government debt securities	**34,657**	21,664
Corporate bonds and fixed deposits	**488,683**	451,830
	523,340	473,494
Less: Allowances for credit loss	**(7,323)**	(9,633)
Total debt instruments at amortised costs	**516,017**	463,861
Analysed as follows:		
Quoted	**341,845**	315,163
Unquoted	**174,172**	148,698
	516,017	463,861

11. FINANCIAL INVESTMENTS (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on external credit rating for the instruments and year-end stage classification. The amounts presented are gross of impairment allowances. The Company uses external grading system and policies on whether ECL allowances are calculated on an individual or collective basis. The Company uses external rating agencies grading such as S&P and Moody's, ranging from BBB - to BB+ as indication for classification of thedebt instruments into stages and to calculate the expected credit losses on those instruments. The Company is using an external grading for its debt instruments.

	The Group and The Company			
	2023			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	341,845	-	-	341,845
Standard grade	174,172	-	-	174,172
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	516,017	-	-	516,017

	The Group and The Company			
	2023			
External rating grade Performing	**Stage 1 Collective**	**Stage 2 Collective**	**Stage 3 Collective**	**Total**
High grade	315,172	-	-	315,172
Standard grade	148,689	-	-	148,689
Past due but not impaired	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	463,861	-	-	463,861

Impairment losses on financial investments subject to impairment assessment

Debt instrument measured at amortised cost

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at July 1,	473,494	-	-	473,494
New asset purchased	174,402	-	-	174,402
Assets derecognised or matured (excluding write-offs)	(124,556)	-	-	(124,556)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	
Amortisation adjustments	-	-	-	-
At June 30,	523,340	-	-	523,340

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at July 1,	473,495	-	-	473,495
New asset purchased	174,271	-	-	174,271
Assets derecognised or matured (excluding write-offs)	(131,748)	-	-	(131,748)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Amortisation adjustments	-	-	-	-
At June 30,	516,018	-	-	516,018

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

11. FINANCIAL INVESTMENTS (Continued)

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Gross carrying amount as at July 1,	368,430	-	-	368,430
New asset purchased	163,553	-	-	163,553
Assets derecognised or matured (excluding write-offs)	(58,488)	-	-	(58,488)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	
Amortisation adjustments	-	-	-	-
At June 30,	473,495	-	-	473,495

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	(7,633)	-	-	(7,633)
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	310	-	-	310
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	(7,323)	-	-	(7,323)

	The Group and The Company			
	2023			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance as at 1 July,	(11,722)	-	-	(11,722)
New assets purchased	-	-	-	-
Assets derecognised or matured (excluding write-offs)	4,089	-	-	4,089
Impact of net- remeasurement of year end ECL	-	-	-	-
At June 30,	(7,633)	-	-	(7,633)

There were no transfers between stages during the year as there was no observed deterioration in credit risks on any of the instruments in the portfolio.

12. INSURANCE AND OTHER RECEIVABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Premium receivables	**307,982**	242,277	**307,829**	242,277
Amounts due from reinsurers	**58,111**	44,992	**58,085**	44,992
Recoverables from third party insurers	**71,635**	51,094	**71,635**	51,094
Other receivables	**15,818**	80,062	**16,064**	80,692
	453,546	418,425	**453,613**	419,055

The average collection period of insurance premiums of the Company is 59 days (2022: 55days) and the average credit period on insurance premiums is 90 days (2022: 90days). No interest is charged on the trade receivables from the date the debit note is issued. Credit terms allowed to insurance brokers range between 90 days and 365 days.

The amounts due from reinsurance companies are recoverable on a period ranging from a monthly to a quarterly basis.The amount due by third party insurers are recoverable following final settlement of claims negotiations.

Before accepting any new customer, the Company's credit control department assesses the potential customer's credit quality and defines terms and credit limits for the customer. Of the trade receivables balance at the end of the year, Rs.1.8m (2022: Rs 3.1m) is due by the ultimate holding company, IBL Ltd the Company's largest customer and there are no customers who represent more than 10% of the total balance of the trade receivables.

Other receivables include the current account with Medscheme amounting to Rs.0.7m (2022: Rs 40.1m). The amount is receivable within one year and does not carry interest. No ECL has been recorded against the balance as it is immaterial.

12. INSURANCE AND OTHER RECEIVABLES (Continued)

	The Group and The Company	
	2023	2022
Ageing of past due but not impaired:	**Rs'000**	Rs'000
30-90 days	**61,217**	75,870
91-180 days	**73,106**	69,150
181-270 days	**37,928**	39,434
Over 270 days	**26,669**	6,082
	198,920	190,536

Movement in the allowance for doubtful debt on premium receivable

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**74,627**	74,106
Provision written off as bad debts	**(31,965)**	-
Provision for impairment losses recognised on premium receivables (Note 23)	**479**	521
At 30 June	**43,141**	74,627

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk relating to trade receivable is limited due to the customer base being large and unrelated. The impairment losses recognised on specific trade receivables is the difference between the carrying amount and the present value of expected proceeds. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Other receivables comprise mainly deposits and prepayments.

Age of impaired receivables

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Carrying amount-Over 1 year	**43,141**	74,106	**43,141**	74,106

13. AMOUNTS DUE (TO)/FROM GROUP COMPANIES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Loan to subsidiary company (i)	**-**	-	**13**	38,371
Amount due from ultimate holding company	**-**	-	**-**	-
Amount due to subsidiary	**-**	-	**-**	(5,400)
	-	-	**13**	32,971

(i) During the year, the directors of the Company resolved to convert the loan receivable from Eagle Investment Property Limited, a subsidiary of the Company into equity. The Company converted the loan into capital contribution awaiting for allotment of shares

The deposit is granted for the purpose of meeting working capital requirements.

	The Group		The Company	
	2023	2022	**2023**	2022
Analysed as:	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Current	**-**	-	**661**	661
Non-current assets			**(648)**	37,710
Non-current liabilities	**-**	-	**-**	-
	-	-	**13**	38,371

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

14. GROSS OUTSTANDING CLAIMS

	2023			2022		
The Group and the Company	**Gross**	**Reinsurance**	**Net**	**Gross**	**Reinsurance**	**Net**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
Claims notified	1,662,158	(1,084,186)	577,972	1,315,428	(774,944)	540,484
Claims incurred but not reported	157,598	(80,459)	77,139	141,408	(63,190)	78,218
At 1 July	1,819,756	(1,164,645)	655,111	1,456,836	(838,134)	618,702
Claims incurred	2,454,775	(1,996,296)	458,479	1,100,458	(756,052)	344,406
Cash (paid)/received for claims settled in the year	(1,554,729)	1,165,230	(389,499)	(737,538)	429,541	(307,997)
At 30 June	2,719,802	(1,995,711)	724,091	1,819,756	(1,164,645)	655,111
Analysed as:						
Claims notified	2,554,532	(1,905,033)	649,499	1,662,158	(1,084,186)	577,972
Claims incurred but not reported	165,270	(90,678)	74,592	157,598	(80,459)	77,139
	2,719,802	(1,995,711)	724,091	1,819,756	(1,164,645)	655,111
Movement during the year recognised in profit and loss	(900,046)	831,066	(68,980)	(362,920)	326,511	(36,409)

15. STATED CAPITAL

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Authorised, issued and fully paid		
7,999,998 ordinary shares of Rs10 each	**80,000**	80,000

The issued and fully paid shares carry one vote per share and a right to dividend.

16. GENERAL INSURANCE FUND

The Group and the Company	The Group and The Company		
	Gross	Reinsurance	Net
	Rs'000	Rs'000	Rs'000
At 1 July	477,988	(266,451)	211,537
Increase / (decrease)	26,566	(50,419)	(23,853)
At 30 June	504,554	(316,870)	187,684
Increase/(decrease) during the year	104,723	(67,359)	37,364
At 30 June 2023	609,277	(384,229)	225,048

(a) The general insurance fund will be released over a period of 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

17. DEFERRED TAX ASSETS

Deferred taxation is calculated on all temporary differences under the liability method at the rate of 17% (2022: 17%). The movement on deferred tax account is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July	(23,774)	(23,797)	(28,482)	(27,155)
Overprovision of deferred tax liabilities in previous years	(1,306)	-	`-	-
Recognised in other comprehensive income	860	860	860	(518)
Recognised in profit or loss (Note 19 (iii))	4,597	(837)	4,554	(809)
At 30 June	(19,623)	(23,774)	(23,068)	(28,482)

The Group

2023	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	**7,615**	**(1,306)**	**-**	**6,309**
Retirement benefit obligations	**(6,062)**	**(752)**	**860**	**(5,954)**
Provision on recoverable from third party	**(16,761)**	**-**	**-**	**(16,761)**
Provision for doubtful debts	**(12,679)**	**5,353**	-	**(7,326)**
Right of use asset	**363**	**(174)**	**-**	**189**
Lease liability	**(395)**	**188**	**-**	**(207)**
Accelerated capital allowances	**4,289**	**(18)**	**-**	**4,271**
Tax losses	**(144)**	**-**	**-**	**(144)**
Net deferred tax assets	**(23,774)**	**3,291**	**860**	**(19,623)**

2022	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	7,615	-	-	7,615
Retirement benefit obligations	(6,170)	(752)	860	(6,062)
Provision on recoverable from third party	(16,761)	-	-	(16,761)
Provision for doubtful debts	(12,598)	(81)	-	(12,679)
Right of use asset	537	(174)	-	363
Lease liability	(583)	188	-	(395)
Accelerated capital allowances	4,240	49	-	4,289
Tax losses	(77)	(67)	-	(144)
Net deferred tax liabilities/(assets)	(27,154)	(837)	860	(23,774)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. DEFERRED TAX ASSETS (Continued)

The Company

2023	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	**4,783**	**-**	**-**	**4,783**
Retirement benefit obligations	**(6,685)**	**(752)**	**860**	**(6,577)**
Provision on recoverable from third party	**(16,461)**	**-**	**-**	**(16,461)**
Provision for doubtful debts	**(12,687)**	**5,353**	**-**	**(7,334)**
Right of use asset	**367**	**(174)**	**-**	**193**
Lease liability	**(414)**	**188**	**-**	**(226)**
Accelerated capital allowances	**2,615**	**(61)**	**-**	**2,554**
Net deferred tax liabilities / (assets)	**(28,482)**	**4,554**	**860**	**(23,068)**

2022	At 01 July	Recognised in profit or loss	Recognised in other comprehensive income	At 30 June
	Rs'000	Rs'000	Rs'000	Rs'000
Revaluation of property	4,783	-	-	4,783
Retirement benefit obligations	(6,170)	3	(518)	(6,685)
Provision on recoverable from third party	(16,761)	300	-	(16,461)
Provision for doubtful debts	(12,598)	(89)	-	(12,687)
Right of use asset	537	(169)	-	367
Lease liability	(582)	168	-	(414)
Accelerated capital allowances	3,637	(1,022)	-	2,615
Net deferred tax liabilities/(assets)	(27,154)	(809)	(518)	(28,482)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Amounts due to reinsurers	**72,585**	78,211	**72,585**	78,211
Payable to garages and other suppliers	**10,269**	13,009	**10,269**	13,009
Commission payables	**7,734**	5,095	**7,734**	5,095
Other payables	**166,032**	117,364	**165,961**	117,236
	256,620	213,679	**256,549**	213,551

(i) The Group has financial risk management policies in place to ensure that all payables are paid with the credit timeframe.

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

(iii) No interest is charged on trade and other payables.

(iv) Other payables includes Rs. Nil of investment that have been purchased at year end but cash disbursed in July 2022 (2022: Rs.9.1m) and a balance payable to Medscheme amounting to Rs.2m (2022: Rs.39.3m) in respect to Medscheme Careplus current account. In addition, other payables includes a provision balance of Rs 28.4m (2022: Rs29m)

19. TAXATION

Income tax is calculated at the rate of 17% (2022:17%) on the profit for the year as adjusted for income tax purposes.

(i) Current tax (receivable) / liabilities

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	**Rs'000**
At 1 July	**18,849**	119	**18,954**	177
Charge for the year	**3,210**	15,067	**3,210**	15,022
Over provision in previous year	**(451)**	(8)	**(451)**	-
Corporate social responsibility	**(1,332)**	1,980	**(1,332)**	1,986
Tax deductible at source	**(16)**	(241)	**(16)**	(97)
Refund received during the year	**-**	2,197	**-**	2,061
Amount paid during the year	**(25,831)**	(265)	**(25,831)**	(195)
At 30 June	**(5,571)**	18,849	**(5,466)**	18,954
Made up of:				
Current tax receivables	**(5,571)**	(144)	**(5,466)**	-
Current tax liabilities	**-**	18,993	**-**	18,954
	(5,571)	18,849	**(5,466)**	18,954

(ii) Charge to statement of profit or loss and other comprehensive income

	The Group		The Company	
	2023	2023	**2023**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax charge	**3,366**	15,067	**3,210**	15,022
Over provision in previous year	**(451)**	(8)	**(451)**	-
Corporate social responsibility	**367**	2,003	**367**	2,004
Deferred tax movement (Note 17)	**4,504**	(765)	**4,461**	(809)
Provision of Deferred tax in previous year	**93**	-	**93**	-
	7,879	16,297	**7,680**	16,217

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

19. TAXATION (Continued)

(iii) Tax reconciliation

The tax on the Group's and the Company's profit before tax differs from the theoretical amount that arises using the basic tax rate of the Group and the Company as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit/(loss) before taxation	**58,453**	77,005	**38,456**	62,599
Tax calculated at 17%	**9,937**	13,091	**6,538**	10,642
Tax effect of:				
Income not subject to tax	**(6,247)**	(2,353)	**(509)**	(23)
Over provision of current tax in previous year	**(451)**	(8)	**(451)**	-
(Over)/under provision of deferred tax in previous year	**189**	(35)	**93**	-
Adjustments in respect of current income tax of previous year	**(61)**	-	**(61)**	-
Expenses not deductible for tax purposes	**4,512**	5,838	**2,070**	5,834
Foreign tax credit	**-**	(236)	**-**	(236)
	7,879	16,297	**7,680**	16,217

20. INVESTMENT INCOME

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividends from financial assets	**11,316**	14,993	**11,316**	14,993
Dividend from subsidiary	**-**	-	**79**	133
Dividend from associate	**-**	-	**13,180**	12,320
	11,316	14,993	**24,575**	27,446

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

21. FINANCE INCOME

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Bank deposits	**3,240**	1,046	**3,240**	1,046
Financial assets	**29,599**	19,309	**30,709**	20,597
	32,839	20,355	**33,949**	21,643

22 (a) OTHER INCOME

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit on disposal of property, plant and equipment	**17**	6	**17**	6
Expected credit losses on financial investment	**2,310**	4,092	**2,310**	4,092
Policy fees	**6,547**	8,227	**6,547**	8,227
Endorsement fees	**3,397**	2,750	**3,397**	2,750
Rental Income	**5,272**	5,066	**1,682**	1,705
Others	**1,774**	390	**726**	-
	19,317	20,531	**14,679**	16,780

22 (b) OTHER GAINS/(LOSSES)

	The Group		The Company	
	2022	2023	**2022**	2023
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net fair value gains /(losses)on financial assetsat fair value through profit or loss	**13,719**	(41,320)	**13,719**	(41,320)
Net foreign exchange gains	**34,156**	8,595	**34,156**	8,595
	47,875	(32,725)	**47,875**	(32,725)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

23. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Administrative expenses include:				
Staff costs	**131,535**	93,221	**131,535**	93,221
Depreciation and amortisation	**14,331**	20,575	**15,326**	19,411
Net provision for impairment losses recognised on receivables (Note 12)	**479**	521	**-**	521
Bad debt written off	**263**	4,882	**479**	1,456
Donations	**1,027**	45	**1,027**	40
Legal and professional fee	**12,183**	10,415	**11,827**	10,075
Others	**77,642**	57,015	**77,878**	60,182
	237,460	186,674	**238,072**	184,906

24. EARNINGS PER SHARE

Earnings per share based on profit after taxation attributable to owners of the Company is Rs 6.29 (2022: Rs 7.56) and Rs 3.85 (2022: Rs 1.56) for the Group based 7,999,998 shares in issue as at year ended 30 June 2023.

25. CASH AND CASH EQUIVALENTS

	TheGroup		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash in hand	**3**	4	**3**	4
Balances with banks	**518,593**	575,373	**513,444**	571,522
Cash and cash equivalents	**518,596**	575,377	**513,447**	571,526

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES

	The Group and The Company	
	2023	2022
Made up of;	**Rs'000**	Rs'000
- Defined benefit plan that shares risks between entities under common Control (see (a) below)	**20,777**	26,075
- Other post retirement benefits (see (d))	**15,281**	10,622
	36,058	36,697

(a) Defined benefit plan that shares risks between entities under common control

The Company's parent company, IBL Ltd, operates a group defined benefit plan which covers some current and former employees of the Company and the plan is wholly funded. The benefits are based on final salary and the plan provides for a pension at retirement and a benefit on death or disablement in service before retirement.

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The assets of the funded plan are held independently and administered by SwanLifeLtd. Pension Consultants and Administrators Ltd is responsible for the management of this fund.

The pension plan typically expose the group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the liabilities of the plan are calculated using a discount rate. Should there turns on the assets of the plan be lower than the discount rate, a deficit will arise.
Interest risk	If the Bond interest rate decreases, the liabilities would be calculate dusing a lower discount rate, and would therefore increase.
Longevity risk	The liabilities disclosed are based on the mortality tables A 67/70 and PA(92). Should the experience of the pension plans be less favourable than the standard mortality tables, the liabilities will increase.
Salary risk	If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Amount payable to the holding company	**20,777**	26,075
Analysed as follows:		
Recharge through Profit and loss:		
Amount payable to the holding company for defined benefit liabilities recognised as at 1 July	**26,075**	25,888
Service and interest costs for the year net of employer contribution	**2,176**	2,138
Contribution and direct benefit paid	**(2,989)**	(2,989)
Recharge through Other Comprehensive Income:		
Actuarial (gain)/loss from changes in financial assumptions	**(4,485)**	1,038

(i) The recharge of the defined benefit liabilities are analysed in the actuarial report as follows:

Present value of funded obligation	**64,710**	73,650
Fair value of plan assets	**(43,933)**	(47,575)
Liability recognised in the statements of financial position	**20,777**	26,075

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
(ii) Movement in liabilities recognised in the statements of financial position		
Amount payable to the holding company for defined benefit liabilities recognised as at 1 July	**26,075**	25,888
Amount recognised in profit or loss	**2,176**	2,138
Employer contributions	**(2,989)**	(2,989)
Amount recognised in profit or loss as at 30 June	**25,262**	25,037
Amount recognised in other comprehensive income	**(4,485)**	1,038
Amount payable to the holding company for defined benefit liabilities recognised as at 30 June	**20,777**	26,075

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(iii) The amounts recognised in the statement of profit or loss

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Current service cost	**775**	898
Scheme expenses	**318**	198
Cost of insuring risk benefits	**111**	80
Effect of curtailments/settlements	**(45)**	-
Service cost	**1,159**	1,176
Net interest cost	**1,017**	962
Components of amount recognised in profit or loss	**2,176**	2,138

(iv) The net amounts recognised in the statement of other comprehensive income

Return on plan assets (excluding amounts included in net interest expense)	**3,348**	(1,291)
Actuarial (gain)/loss arising from experience adjustments	**98**	1,030
Actuarial (gain)/loss arising from changes in financial assumptions	**(7,931)**	1,299
Actuarial (gain)/loss recognised in other comprehensive income	**(4,485)**	1,038

(v) Movement in the present value of underlying defined benefit obligation

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Present value of as at 1 July	**73,650**	69,708
Current service cost	**775**	898
Interest cost	**2,923**	2,849
Actuarial (gain)/losses	**(7,834)**	3,978
Effect of curtailments/settlements	**(45)**	-
Benefits paid	**(4,759)**	(3,783)
Present value of as at 30 June	**64,710**	73,650

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(vi) Movement in the fair value of underlying plan assets

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Fair value as at 1 July	**47,575**	43,820
Interest income	**1,906**	1,888
Employer's contribution	**2,989**	2,989
Scheme expenses	**(319)**	(199)
Cost of insuring risk benefits	**(111)**	(80)
Fair value (losses)/gains	**(3,348)**	2,940
Benefits paid	**(4,759)**	(3,783)
Fair value as at 30 June	**43,933**	47,575

(vii) The fair value of the underlying plan assets at the end of the reporting period for each category are as follows:

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Cash and cash equivalents	**5,861**	5,915
Equity investments categorised by industry type:		
- Local	**14,836**	15,996
- Foreign	**13,997**	16,647
Fixed interest instruments	**9,239**	9,017
Properties	**-**	-
Total market value of assets	**43,933**	47,575

(viii) The principal actuarial assumptions used for accounting purposes are:-

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Discount rate	**5.2%**	4.1%
Future long term salary increase	**1%**	1%
Future pension increase	**0%**	0%
Average retirement age (ARA)	**60 years**	60 years

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(ix) Future cash flows:

The funding policy is to paycontributions to the holding company. The expected contribution at IBL Group level is Rs 71m for the year ending 30 June 2024. The average duration of the defined benefit obligation at 30 June 2023 is 8 years.

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

The sensitivity analysis below has been carried out by recalculating the present value of obligation at the year end after increasing or decreasing the actuarial assumptions below while leaving all other assumptions unchanged. The sensitivity analysis presented may not be representative of the actual change in the defined benefit liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**6,418**	8,677
Decrease in defined benefit obligation due to 1% increase in discount rate	**(5,473)**	(7,276)
Increase in defined benefit obligation due to 1% increase in salary	**859**	1,216
Decrease in defined benefit obligation due to 1% decrease in salary	**(826)**	(1,166)

(b) Contribution to defined contribution pension plan

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Contribution expensed	**4,231**	4,505

(c) State pension plan

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
National Pension Scheme/CSG contributions expensed	**2,868**	2,119

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(d) Other post retirement benefits

Other post retirement benefits consist of retirement gratuity obligation payable under the Workers' Rights Act 2019.

The latter provides for a lumpsum 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 Fund (PRGF), these benefits are unfunded as at 31 December 2019. Moreover, employees who resign as from 2020, are eligible for a portable gratuity benefit based on service with the employer as from 1 January 2020 and remuneration at exit (same benefit formula as for retirement/death gratuity).

As from 1 July 1999, the defined benefit plan has been closed to new entrants and all new entrants joined a defined contribution plan.

The Company is exposed to the following actuarial risks:

Investment risk	Lower returns on IBLPF's asset will reduce the expected DC pension which in turn will reduce the allowable gratuity offset. The net result will be an increase in the residual liability.
Interest rate risk	This is the risk that bond yields reduce, leading to an increase in the provision required to be set aside for the benefits.
Salary/ Remuneration increase	The risk is that actual salary increases are higher than assumed, there by leading to a shortfall in benefit provisions already set aside.
Mortality risk	Higher than expected death will expose the company to having to effect payouts that were not expected from its cash flow.
Longevity risk	Employees living longer than expected will expose the employer to the risk that more employees make it to retirement to claim their benefits while the provisions assume that fewer employees will live till retirement
Withdrawal risk	Lower than expected withdrawal will have the same impact as longevity risk.
Liquidity risk	This risk arises if the employer's actual net cash flows are not sufficient to pay for the gratuity benefit when it becomes due.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(i) Movement in the liability recognised in the statement of financial position:

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**10,622**	7,776
Total expense recognised to profit or loss	**5,603**	933
Actuarial gains recognised in other comprehensive income	**(576)**	2,010
Employer Contributions and benefits payments from company's cashflow	**(368)**	(97)
At 30 June	**15,281**	10,622

(ii) The movement in the defined benefit obligation over the year is as follows:

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**10,720**	7,776
Current service cost	**894**	553
Interest cost	**530**	381
Past Service Cost	**4,187**	-
Actuarial gains	**(584)**	2,010
Benefits Paid	**(248)**	-
At 30 June	**15,499**	10,720

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(iii) The amounts recognised in the statement of profit or loss and other comprehensive income are as follows:

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Current service cost	**894**	553
Interest cost	**530**	381
Components of defined benefit costs recognised in profit or loss	**1,424**	934
Remeasurement of retirement benefit obligations:		
Actuarial (gains)/losses recognised during the year	**(576)**	2,010
Components of defined benefit costs recognised in other comprehensive income	**(576)**	2,010
Analysis of amount recognised in other comprehensive income:		
Gains/(losses) on plan assets	**8**	1
Experience losses on liabilities	**(673)**	174
Change in assumptions underlying the present value of the scheme	**89**	1,835
	(576)	2,010

(iv) Movement in actuarial gains recognised

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
At 1 July	**(3,194)**	(1,184)
Actuarial gains/(losses) recognised during the year	**576**	(2,010)
At 30 June	**(2,618)**	(3,194)

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

	The Group and The Company	
	2023	2022
	%	%
Discount rate	**5.8**	5.0
Future long-term salary increase	**1.0/4.0**	1.0/3.0

The weighted average duration of the liabilities is 12 years at the end of the reporting period (2022: 13 years).

The Group is expected to contribute Rs 0.1m to the PRGF for the year ending 30 June 2022.

26. EMPLOYEE BENEFIT AND RELATED LIABILITIES (Continued)

(vi) Sensitivity analysis

	The Group and The Company	
	2023	2022
	Rs'000	Rs'000
Increase in defined benefit obligation due to 1% decrease in discount rate	**2,757**	2,285
Decrease in defined benefit obligation due to 1% increase in discount rate	**(2,306)**	(1,941)
Increase in defined benefit obligation due to 1% increase in future long-term salary assumption	**2,794**	2,332
Decrease in defined benefit obligation due to 1% decrease in future long-term salary assumption	**(2,364)**	(2,006)

The sensitivity analysis above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

27. FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the group will be able to continue as a going concern and also comply with applicable laws and regulations while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and bank balances and equity attributable to owners of the Group (comprising stated capital, reserves, retained earnings and non-controlling interests as detailed in statement of changes in equity).

The Group is required to maintain a minimum capital requirement under the Insurance Act 2005 and rules made by the Financial Services Commission.

Under the Insurance (General Insurance Business Solvency) Rules 2007, the minimum capital requirement for general business is the sum of capital required for statement of financial position assets as per rule 6, capital required for investment above concentration limit as per rule 7, capital required for policy liabilities as per rule 8, capital required for catastrophes as per rule 9 and capital required for reinsurance ceded under rule 10.

For the year ended 30 June 2023, the Group has satisfied the minimum capital requirements under Insurance (General Insurance Business Solvency) Rules 2007.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

27. FINANCIAL INSTRUMENTS (Continued)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes 2 and 3 to the financial statements.

Categories of financial instruments	The Group		The Company	
	2023	2022	**2023**	2022
Financial assets	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Financial investments at fair value through other comprehensive income	**257,736**	244,563	**257,736**	244,563
Financial investments at fair value through profit and loss	**268,522**	234,740	**268,522**	234,740
Financial assets other than amortised cost	**526,258**	479,303	**526,258**	479,303
Financial investments at amortised cost	**516,018**	463,861	**516,018**	463,861
Statutory deposits	**8,000**	8,000	**8,000**	8,000
Premium receivables	**307,982**	242,431	**307,829**	242,277
Amounts due from reinsurers	**58,085**	44,992	**58,085**	44,992
Recoverables from third party insurers	**71,635**	51,094	**71,635**	51,094
Other receivables (i)	**13,231**	70,234	**13,477**	71,307
Reinsurance assets	**2,379,940**	1,481,515	**2,379,940**	1,481,515
Amounts due from group companies	**-**	-	**13**	38,371
Cash and cash equivalents	**518,596**	575,377	**513,447**	571,526
At amortised cost	**3,873,487**	2,937,504	**3,868,444**	2,972,943
Total financial assets	**4,399,744**	3,416,807	**4,394,701**	3,452,246
Financial liabilities				
Trade and other payables	**256,620**	213,679	**256,549**	213,551
Lease liabilities	**995**	2,435	**995**	2,435
Gross outstanding claims (ii)	**2,554,532**	1,662,158	**2,554,532**	1,662,158
At amortised cost	**2,812,147**	1,878,272	**2,812,076**	1,878,144

(i) Other receivables exclude prepayments for the Group and The Company.

(ii) Gross outstanding claims exclude claims incurred but not reported for the Group and The Company

27. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management

The Group monitors and manages the financial risks relating to their operations through internal control procedures and written policies approved by their respective Board. These risks include credit risk, currency risk, liquidity risk, interest rate risk and market risk.

Market risk

The Group's activities are not significantly exposed to the financial risks of changes in foreign currency exchange rates and interest rates and no derivative financial instruments have been contracted for the financial year ended 30 June 2023 (2022: nil).

Foreign currency risk management

The Group undertakes transactions that are mostly denominated in Mauritian Rupees, hence, minimizing the exposures to exchange rate risk. The currency profile of the financial assets and liabilities is summarised as follows:

The Group

	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	2023	**2023**	2022	2022
	Rs'000	**Rs'000**	Rs'000	Rs'000
Mauritian Rupees	**3,563,183**	**2,812,147**	2,841,593	1,878,272
United States Dollars	**674,375**	**-**	448,048	-
Euro	**145,496**	**-**	103,158	-
British Pounds	**9,804**	**-**	23,868	-
Seychelles Rupees	**6,993**	**-**	140	-
	4,399,851	**2,812,147**	3,416,807	1,878,272

The Company

	Financial assets	**Financial assets**	Financial assets	Financial liabilities
	2023	**2023**	2022	2022
	Rs'000	**Rs'000**	Rs'000	Rs'000
Mauritian Rupees	**3,560,302**	**2,812,076**	2,878,199	1,878,144
United States Dollars	**672,107**	**-**	446,881	-
Euro	**145,496**	**-**	103,158	-
British Pounds	**9,804**	**-**	23,868	-
Seychelles Rupees	**6,993**	**-**	140	-
	4,394,701	**2,812,076**	3,452,246	1,878,144

27. FINANCIAL INSTRUMENTS (Continued)

The Group has equity securities and bank deposits in foreign currencies and any fluctuation of the Mauritian rupee against those foreign currencies will affect the value of the deposits. At 30 June 2023, if the rupee had weakened or strengthened by 5% against the foreign currencies with all other variables held constant, the Group's and the Company's profit for the year would have been Rs. 41,720,000 (2022: Rs. 28,760,000 respectively higher/lower mainly resulting from translation of equity securities and bank deposits.

2023		Change in rate	**The Group** Effect on profit before tax Rs'000	**The Company** Effect on profit before tax Rs'000
United States Dollars	+/-	5%	33,605	33,605
Euro	+/-	5%	7,275	7,275
British Pounds	+/-	5%	490	490
Seychelles rupees	+/-	5%	350	350
			41,720	41,720

2022		Change in rate	The Group Effect on profit before tax Rs'000	The Company Effect on profit before tax Rs'000
United States Dollars	+/-	5%	22,402	22,344
Euro	+/-	5%	5,158	5,158
British Pounds	+/-	5%	1193	1,193
Seychelles rupees	+/-	5%	7	7
			28,760	28,702

Interest rate risk management

Under short-term insurance contracts, liabilities are not directly sensitive to the level of market interest rates. Fluctuations in interest rates however impact on returns on financial instruments but is closely monitored by the investment committee through a well diversified portfolio of fixed income securities and equity investments.

The sensitivity analysis has been determined based on the exposure to interest rates for financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the date of statement of financial position was outstanding for the whole year, except for loans where the normal repayment terms were considered. A 50 basis point is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. At 30 June 2023, the Group did not have any variable rate deposits (2022: nil).

27. FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk Management

The Group is exposed to daily calls on its available cash resources mainly from claims arising from short term insurance contracts. The Group sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover maturities, claims and surrenders and unexpected levels of demand.

The liquidity risk management of the Group rests with Finance department, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group	3 months to 1 year	Between 1 and 5 years	Total
	Rs'000	Rs'000	Rs'000
30 June 2023			
Trade and other payables	256,620	-	256,620
Gross outstanding claims	2,554,532	-	2,554,532
Lease liabilities	995	-	995
	2,812,147	-	2,812,147
30 June 2022			
Trade and other payables	213,679	-	213,679
Gross outstanding claims	1,662,158	-	1,662,158
Lease liabilities	1,070	1,365	2,435
	1,876,907	1,365	1,878,272

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

27. FINANCIAL INSTRUMENTS (Continued)

The Company	3 months to 1 year	Between 1 and 5 years	Total
	Rs'000	Rs'000	Rs'000
30 June 2023			
Trade and other payables	256,549	-	256,549
Gross outstanding claims	2,554,532	-	2,554,532
Lease liabilities	995	-	995
	2,812,076	-	2,812,076
30 June 2022			
Trade and other payables	213,551	-	213,551
Gross outstanding claims	1,662,158	-	1,662,158
Lease liabilities	1,070	1,365	2,435
	1,876,779	1,365	1,878,144

The interest rate profile of the financial assets is as follows:

	The Group and Company	
	Floating interest rate	
	2023	2022
	%	%
Mauritian Rupee	**1.15 - 7.75**	2.59 - 7.75
United States Dollar	**1.2 - 4.5**	1 - 4.75
Euro	**1.5 - 6.23**	0.65 - 7

The above comprise mainly investments, deposits with financial institutions and deposits with ultimate holding company.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk is primarily attributable to its insurance receivables, reinsurance assets and investment in debt instruments. 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.

27. FINANCIAL INSTRUMENTS (Continued)

The Group structures the levels of its credit risk it accepts by placing limits on its exposure to a single counterparty or groups of counterparty and to industry segments. Such risks are subject to annual or more frequent review. Reinsurance is used to manage credit risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The credit worthiness of reinsurers is considered on an annual basis by reviewing their credit rates provided by rating agencies prior to finalisation of any reinsurance contract. Although the insurance premiums due from related companies represented 58% of the trade receivable, the concentration of credit risk is limited due to the fact that it is composed of several companies and departments within the Group.

The credit control department assesses the credit worthiness of brokers, agents and of contract holders based on details of recent payment history, past history and by taking into account their financial position. The Group is exposed to potential default by its reinsurers for their share of insurance liabilities and refunds in respect of claims already paid. Management monitors the financial strength of its reinsurers and the Group has policies in place to ensure that risks are ceded to highly rated and credit worthy reinsurers only. The credit worthiness of reinsurers is considered on an annual basis for its reinsurance treaty panel and on a case to case basis for facultative reinsurance placement by carrying out assessment via rating agencies and/or other available market reports prior to finalisation of any reinsurance contracts. The Group also has exposure to credit risk on its debt securities, more specifically on the corporate bonds. The investment committee recommends investment in entities with which the Group had good experience in the past years and with good standing. The financial position and performance of the issuers are assessed in detail prior to approval for investment by the Group.

The carrying amount of financial assets recorded in the financial statements which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any security.

Refer to note 11(a)(i), (ii) and 11(c) for information on the credit quality of the financial investments.

Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity price risk is mitigated by having a well-diversified portfolio of equity and unit investments in various industries and countries. Moreover certain units investments are capital-guaranteed.

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 10% higher/ lower:

- profit for the year ended 30 June 2023 would have been unaffected as the equity investments are classified as financial asset at fair value through other comprehensive income; and
- other equity reserve for the Group would increase/ decrease by Rs.25,773,559 (2022: Rs.24,456,317) as a result of the changes in fair value of financial investment at fair value through other comprehensive income.

The risk under any one insurance contract is the possibility that an insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

28. MANAGEMENT OF INSURANCE RISKS

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be (Law of large numbers). In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Casualty Insurance

Frequency and severity of claims

The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damage suffered as a result of motor injury claims. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. As part of its permeating and systematic risk management, the Group continually identifies and analyses the risks. Underwriting guidelines and limits clearly regulate responsibility and accountability for the whole process of acquiring and concluding insurance contracts. Compliance with the above are regularly checked. Following developments in the local and global market, appropriate measures are taken, translated without delay in corresponding underwriting guidelines if required.

Underwriting limits are thus in place to enforce appropriate risk selection criteria. For example the Group has the right to impose deductibles and it has the right to reject the payment of a fraudulent claim, as well as inviting renewals on different terms. Insurance contracts also entitle the Group to sue third parties for payment of incurred costs (i.e. subrogation).

The reinsurance arrangements are mostly excess of loss reinsurance layers in respect of casualty.

Property insurance

Frequency and severity of claims

For property insurance contracts, climatic changes give rise to more frequent and severe extreme weather events (for example, cyclones, Tsunami etc.) and their consequences (for example, cyclone claims).

28. MANAGEMENT OF INSURANCE RISKS (Continued)

For certain contracts, the Group has also limited the number of claims that can be paid in any policy year or introduced a maximum amount payable for claims in any policy year.

The Group has the right to re-price the risk on renewal. It also has the ability to impose deductibles and reject fraudulent claims. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claims payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from cyclone or flood damage. The availability and cost of reinsurance are subject to prevailing market conditions, both in terms of price and availability capacity. Although the reinsurers are liable to the extent of the reinsurance ceded, the company remains primarily liable to the policy holder as the direct insurer of all risks reinsured. The Company evaluates the financial condition of its reinsurers to minimize its exposures to losses from reinsurer insolvencies.

To the Group's knowledge, none of its reinsurers is experiencing financial difficulties. Markets have tightened their underwriting of proportional treaty programme, which have impacted on the Mauritian Insurance sector where companies were more used to traditional reinsurance and had to increase their net retention.

Catastrophe protection treaties are a must to insurance companies based in Mauritius due to our constant exposure towards tropical cyclones.

The Group has reinsurance cover for such damage to accommodate its increased exposure.

Property insurance contracts are subdivided into four risk groups: fire, business interruption, cyclone damage and other perils. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

Concentration of insurance risk

The following table discloses the concentration of outstanding claims by class of business, gross and net of reinsurance.

	2023				2022			
Class of business		Gross	Reinsurance	Net		Gross	Reinsurance	Net
	No. of claims	Rs'000	Rs'000	Rs'000	No. of claims	Rs'000	Rs'000	Rs'000
Accident	22	26,760	(5,683)	21,077	20	19,262	(2,421)	16,841
Engineering	54	203,300	(177,752)	25,548	61	111,424	(89,866)	21,558
Fire	102	1,356,074	(1,295,181)	60,893	78	770,509	(706,344)	64,165
Liability	124	328,828	(184,707)	144,121	128	313,744	(178,129)	135,615
Motor	5,556	383,989	(75,810)	308,179	5,529	329,697	(50,409)	279,288
Health	24	51,461	(37,084)	14,377	20	45,948	(33,533)	12,415
Transportation	230	204,120	(128,816)	75,304	192	71,574	(23,484)	48,091
IBNR	-	165,270	(90,678)	74,592	-	157,598	(80,459)	77,139
	6,112	2,719,802	(1,995,711)	724,091	6,028	1,819,756	(1,164,645)	655,112

28. MANAGEMENT OF INSURANCE RISKS (Continued)

The Company manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling.

Sources of uncertainty in the estimation of future benefit payments

Casualty insurance

Claims on casualty contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contracts term. As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR). There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The compensation paid on these contracts is the monetary awards granted for bodily injury suffered by employees (for employer's liabilities covers) or members of the public (for public liability covers). Such awards are lump-sum payments that are calculated as the present value of the lost earnings and rehabilitation expenses that the injured party will incur as a result of incident.

The estimated cost of claims includes direct expenses incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprises a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks at the end of the reporting period. The amount of casualty claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Casualty contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

In calculating the estimated cost of unpaid claims (both reported and not), the Group estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between ultimate cost of insurance claims and insurance premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analysed by territory and type of risk where the insured operates for current and prior year premium earned.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insurer until many years after the event that gave rise to the claims has happened. For casualty contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

28. MANAGEMENT OF INSURANCE RISKS (Continued)

In estimating the liability for the cost of reported claims not yet paid, the Group considered any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Property insurance

Property claims are analysed separately for cyclone and non-cyclone claims. The development of large losses/catastrophes is analysed separately. Non-cyclone claims can be estimated with greater reliability, and the Group's estimation processes reflect all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allow the Group to achieve a higher degree of certainty about the estimated cost of claims, and relatively little (Incurred but not Reported) IBNR is held at year-end.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

28. MANAGEMENT OF INSURANCE RISKS (Continued)

Claims development table

The development of insurance liabilities provides a measure of the company's ability to estimate the ultimate value of claims. The table below illustrates how the estimates of total claims outstanding for each year have changed at successive year-ends and reconciles the cumulative claims to the amount appearing in the statement of financial position.

2023

	2018	2019	2020	2021	2022	2023	Total
Gross claims incurred	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
At end of							
Accident year	841,151	840,449	825,515	742,886	1,092,813	2,257,825	6,600,639
1 year later	59,271	51,996	47,362	(9,262)	(53,250)	-	96,117
2 years later	24,714	(71)	(30,984)	2,900	-	-	(3,441)
3 years later	(11,478)	(2,025)	172,734	-	-	-	159,231
4 years later	(9,642)	2,027	-	-	-	-	(7,615)
5 years later	(312)	-	-	-	-	-	(312)
Current estimate of cumulative claims	903,704	892,376	1,014,627	736,524	1,039,563	2,257,825	6,844,619
Gross claims paid							
Accident year	310,894	308,367	508,812	472,863	472,171	1,041,192	3,114,299
1 year later	179,049	415,540	211,620	135,969	278,343	-	1,220,521
2 years later	51,861	29,820	33,809	30,832	-	-	146,322
3 years later	4,456	9,467	122,065	-	-	-	135,988
4 years later	10,685	8,262	-	-	-	-	18,947
5 years later	1,558	-	-	-	-	-	1,558
Cumulative payment to date	558,503	771,456	876,306	639,664	750,514	1,041,192	4,637,635
	345,201	120,920	138,321	96,860	289,049	1,216,633	2,206,984
Liabilities in respect of prior years*							347,548
IBNR							165,270
Total gross liabilities							2,719,802

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

28. MANAGEMENT OF INSURANCE RISKS (Continued)

2022

Gross claims incurred	2017 Rs'000	2018 Rs'000	2019 Rs'000	2020 Rs'000	2021 Rs'000	2022 Rs'000	Total Rs'000
At end of							
Accident year	428,699	841,151	840,449	825,515	742,886	1,092,813	4,771,513
1 year later	163,750	59,271	51,996	47,362	(9,262)	-	313,117
2 years later	(32,106)	24,714	(71)	(30,984)	-	-	(38,447)
3 years later	(17,328)	(11,478)	(2,025)	-	-	-	(30,831)
4 years later	2,144	(9,642)	-	-	-	-	(7,498)
5 years later	(1,917)	-	-	-	-	-	(1,917)
Current estimate of cumulative claims	543,242	904,016	890,349	841,893	733,624	1,092,813	5,005,937
Gross claims paid							
Accident year	317,902	308,880	308,367	508,812	472,863	472,171	2,388,995
1 year later	128,796	179,049	415,540	211,620	135,969	-	1,070,974
2 years later	16,075	51,861	29,820	33,809	-	-	131,565
3 years later	5,199	4,456	9,467	-	-	-	19,122
4 years later	3,370	10,685	-	-	-	-	14,055
5 years later	1,355	-	-	-	-	-	1,355
Cumulative payment to date	472,697	554,931	763,194	754,241	608,832	472,171	3,626,066
	70,545	349,085	127,155	87,652	124,792	620,642	1,379,871
Liabilities in respect of prior years*							282,287
IBNR							157,598
Total gross liabilities							1,819,756

** This represents the cumulative liabilities prior to 2017.*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

29. RELATED PARTY DISCLOSURES

The Group is making the following disclosures in respect of related party transactions and balances.

Outstanding balances

	The Group		The Company	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
(i) Receivable from related parties:-				
Ultimate holding company	**108**	3,088	**108**	3,088
Associate	**57,138**	43,107	**57,138**	43,107
Associates of ultimate holding company	**71,669**	67,753	**71,669**	67,753
Subsidiaries of ultimate holding company	**1,286**	691	**1,286**	691
	130,200	114,639	**130,200**	114,639

These amounts are included in insurance and other receivables, refer to note 12.

	The Group		The Company	
	2023 Rs'000	2022 Rs'000	**2023 Rs'000**	2022 Rs'000
Interest receivable from				
Subsidiary of ultimate holding company	**-**	-	**-**	674
	-	-	**-**	1,374

These amounts are included in amounts due from group companies, refer to note 13.

	The Group		The Company	
(ii) Investment in:-				
Subsidiary of ultimate holding company (Note 8)	**33,100**	1,100	**33,100**	1,100
Associate of ultimate holding company (Note 9(a))	**21,313**	21,313	**21,313**	21,313
	54,413	22,413	**54,413**	22,413

The outstanding balances are unsecured and interest free. Deposits bear interest rate as disclosed in note 27 under interest rate risk management.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

29. RELATED PARTY DISCLOSURES (Continued)

Transactions

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(i) Sales of services to:-*				
Ultimate holding company	**576**	442	**576**	442
Associates	**188**	188	**188**	188
Associates of ultimate holding company	**91,032**	50,966	**91,032**	50,966
Subsidiaries of ultimate holding company	**197,277**	158,186	**197,277**	158,186
	289,073	209,782	**289,073**	209,782

* sales of services relates to gross premium.

	The Group		The Company	
(ii) Purchases of goods and services from:-				
Ultimate holding company	**3,391**	1,970	**3,391**	1,928
Subsidiaries of ultimate holding company	**3,130**	3,638	**3,130**	3,638
	6,522	5,608	**6,522**	5,566

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
(iv) Interest and rental income from:-				
Ultimate holding company	**12,672**	12,672	**12,672**	12,672
Subsidiaries of ultimate holding company	**5,204**	3,819	**1,682**	1,811
	17,876	16,491	**14,354**	14,483
(v) Dividend income from associate (Note 9 (a))	**13,180**	12,320	**13,180**	12,320

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

29. RELATED PARTY DISCLOSURES (Continued)

Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
Short-term benefits	**17,529**	13,717	**17,529**	13,717
Post-employment benefits	**739**	1,054	**739**	1,054
	18,268	14,771	**18,268**	14,771
Contribution to IBL Ltd's defined benefit pension plan				
Contribution expensed	**211**	669	**211**	669
Contribution to defined contribution pension plan				
Contribution expensed (Note 26 (b))	**4,231**	4,505	**4,231**	4,505

30. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

The directors regard IBL Ltd, which is incorporated and domiciled in Mauritius, as the Company's holding and ultimate holding company

31. CAPITAL COMMITMENTS

Capital Commitments contracted for but not accrued:	The Company	
	2023	2022
	Rs'000	Rs'000
Buildings, Furniture & Fittings and Computer software	**28,300**	42,500

32. CONTINGENT LIABILITIES

At 30 June 2023, the Group and Company did not have any material contingent liabilities.

33. NON-CASH FLOW TRANSACTIONS

During the year, the Group and the Company did not enter into any non-cash flow transactions (2022: Nil).

34. LONG TERM INCENTIVE SCHEME

IBL Ltd, the holding company, has implemented a Long Term Incentive scheme (LTI) as from 1 July 2017 which provides an opportunity for executives of IBL Ltd and certain subsidiaries to participate in the creation of value with the IBL Group.

The LTI is a Phantom Share Award Scheme and allocations to eligible executives may be made once a year on 1 July.

The LTI payment shall be made to participants who remain employees in good standing of IBL or relevant subsidiaries on the exercise date, and based on IBL shares vested and the exercise price.

The vesting periods for payments to be made under the scheme are based on a percentage of phantom shares allocated and start at end of third year from the allocation date up to the fifth year.

At 30 June 2023, the provision for the LTI amounted to Rs 2,272,503 (2021: Rs 4,574,703). The following table illustrates the number and weighted average exercise price (WAEP) of the scheme:

	2023	**2023**	2022	2022
	NUMBER	**WAEP**	NUMBER	WAEP
Outstanding at 30 June	**18,674**	**52**	17,389	48

No shares were granted, forfeited, exercised or expired during the period. The average remaining contractual life for the share award scheme at 30 June 2023 was 3 years (2022: 4 years).

35. SEGMENTAL REPORTING - GROUP

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's reportable segments under IFRS 8 are:

a) Casualty - includes motor, liability, personal accident and health

b) Property - includes property, engineering and marine

35. SEGMENTAL REPORTING - GROUP (Continued)

(i) Operating segment

2023	**Casualty**	**Property**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
Gross Premium	1,567,813	349,158	1,916,970
Net earned premium	469,071	72,131	541,202
Underwriting results	143,921	11,592	155,512

Note: Underwriting results is obtained as follows: net earned premium plus or (minus) net commission income/(expense) less net claims incurred.

	Rs'000
Investment income	**92,030**
Other income	**19,317**
Management expenses	**(222,808)**
Depreciation and amortisation	**(14,652)**
Finance cost	**(62)**
Share of profit of associate	**29,116**
Profit before taxation	**58,453**
Income tax expense	**(7,879)**
Profit for the year	**50,574**

	Casualty	**Property**	**Others***	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Segment assets	303,284	1,601,749	2,898,228	4,803,261
Segment liabilities	(791,038)	(1,763,494)	(1,070,493)	(3,625,025)
Shareholders' interests				1,177,650
Capital expenditure	355	1,876	3,395	5,627
Depreciation and Amortisation	10,138	1,452	11,845	23,434

* Note: Others relate to assets and liabilities that are not directly attributable to the insurance business.

35. SEGMENTAL REPORTING - GROUP (Continued)

2022	Casualty Rs'000	Property Rs'000	Total Rs'000
Gross Premium	1,327,537	288,026	1,615,563
Net earned premium	454,062	65,030	519,092
Underwriting results	159,076	55,424	214,500

Underwriting results is obtained as follows: net earned premium plus or (minus) net commission income/(expense) less net claims incurred.

	Rs'000
Investment income	14,993
Other income	8,161
Management expenses	(163,240)
Depreciation and amortisation	(23,434)
Finance cost	(139)
Share of profit of associate	26,031
Profit before taxation	76,872
Income tax expense	(16,297)
Profit for the year	60,575

	Casualty Rs'000	Property Rs'000	Others Rs'000	Total Rs'000
Segment assets	1,641,034	235,026	1,917,364	3,793,424
Segment liabilities	(2,177,832)	(311,905)	(110,808)	(2,600,545)
Shareholders' interests				1,192,475
Capital expenditure	329	47	384	760
Depreciation and Amortisation	10,138	1,452	11,845	23,434

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS

This note provides information on how the Group and the Company determine the fair values of various assets and liabilities.

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

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

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(a) Fair value measurements recognised on a recurring basis in the statement of financial position (Continued)

THE GROUP AND COMPANY

	Carrying amount 2023 Rs'000	Fair Value 2023 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	**492,484**	**473,163**
Government loan stocks	**23,534**	**20,104**
	516,018	**493,267**

THE GROUP AND COMPANY

	Carrying amount 2022 Rs'000	Fair Value 2022 Rs'000
Debt instruments at amortised cost:		
Deposits and corporate bonds	442,198	413,984
Government loan stocks	21,663	19,062
	463,861	433,046

36. FAIR VALUE MEASUREMENTS (Continued)

THE GROUP AND COMPANY

	Fair value hierarchy as at 30 June 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Debt instruments at amortised cost:				
Deposits and corporate bonds	**341,763**	**17,161**	**114,239**	**473,163**
Government loan stocks	**-**	**20,104**	**-**	**20,104**

THE GROUP AND COMPANY

	Fair value hierarchy as at 30 June 2022			
	Level 1	Level 2	Level 3	Total
Debt instruments at amortised cost:				
Deposits and corporate bonds	308,895	19,189	85,900	413,984
Government loan stocks	-	19,062	-	19,062

(b) Reconciliation of Level 3 fair value measurements

The following table shows a reconciliation of the opening balance and closing recorded amount of Level 3 financial assets which are recorded at fair value:

	THE GROUP AND THE COMPANY			
	Debt instruments at amortised cost	Debt instruments at amortised cost	**Financial assets at fair value through other comprehensive income**	Financial assets at fair value through other comprehensive income
	2023	2022	**2023**	2022
	Rs'000	Rs'000	**Rs'000**	Rs'000
At 1 July	-	251,537	-	120,676
Disposal	-	(251,537)	-	(120,676)
At June 30	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS (Continued)

This note provides information on how the Group and Company determine fair value of various assets and liabilities.

(a) Fair Value of the Group and Company assets and liabilities that are measured at fair value on a non- recurring basis:

The revaluation of building is non-recurring fair value measure as it occurs every 3 years

Some of the Group and Company's assets and liabilities are measured at fair value at the end of each reporting period. The following table gives the information about how the fair value of these assets and liabilities are determined (in particular the valuation technique(s)and the inputs used).

THE GROUP

Assets /Liabilities

	Fair value as at		Fair Value Hierarchy		Valuation technique(s) and key input(s)		Significant unobservable input(s)		Relationship of unobservable inputs to fair value	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rs '000	Rs '000								
Investment Property:										
Building	**68,200**	66,779	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	N/A	**N/A**	N/A
Property and equipment:										
Building	**105,513**	107,807	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	N/A	**N/A**	N/A

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS (Continued)

THE COMPANY

Assets /Liabilities

	Fair value as at		Fair Value Hierarchy		Valuation technique(s) and key input(s)		Significant unobservable input(s)		Relationship of unobservable inputs to fair value	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	Rs '000	Rs '000								
Investment Property:										
Building	**16,400**	16,400	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	N/A	**N/A**	N/A
Property and equipment:										
Building	**105,513**	107,807	**Level 3**	Level 3	**Price of recent transaction**	Discounted cash flows	**N/A**	N/A	**N/A**	N/A

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS (Continued)

(b) Fair Value of the Group and Company assets and liabilities that are measured at fair value on a recurring basis:

(i) The following table shows the valuation techniques used in the determination of fair values with in Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

	Fair value as at		Fair Value Hierarchy		Valuation approach	Key unobservable inputs (s)	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
	2023	2022	**2023**	2022				
	Rs '000	Rs '000						
Foreign equity bank	**148,938**	128,940	**Level 3**	Level 3	Price to book ratio	Discount due to lack of marketability	0% - 40%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs7.45M (2022: Rs6.45M) in fair value.
Commerce and others	**3,237**	3,138	**Level 3**	Level 3	Dividend yield	Discount due to lack of marketability	10% - 20%	A 5% increase/decrease in discount factor will lead to a decrease/increase of Rs0.162M (2022: Rs0.157M) in fair value.
Bank deposits	**139,318**	107,900	**Level 3**	Level 3	Hold to Maturity	N/A	N/A	N/A
Deposits with ultimate holding company	**-**	-	**N/a**	Level 3	Hold to Maturity	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS (Continued)

	Fair value as at		Fair Value Hierarchy		Valuation approach		Key unobservable input(s)		Relationship of unobservable inputs to fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs '000	Rs '000								
Financial assets at fair value through other comprehensive income:										
Quoted securities:										
Banks and Insurance	**50,411**	43,252		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Commerce	**1,835**	2,140		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Investments	**13,216**	27,505		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**17,038**	12,308		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Sugar	**1,920**	1,970		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Others	**21,060**	25,229		Level 1	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Unquoted securities:										
Leisure and Hotels	**81**	81		Level 2	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Others	**-**	-		Level 2	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Banks and Insurance	**148,938**	128,940		Level 3	**Price to book**	**Price to book**	**Price to book**		**Price to book**	
Commerce	**3,237**	3,138		Level 3	**Dividend yield**	**Dividend yield**	**Dividend yield**		**Dividend yield**	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

36. FAIR VALUE MEASUREMENTS (Continued)

	Fair value as at		Fair Value Hierarchy		Valuation approach		Key unobservable input(s)		Relationship of unobservable inputs to fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Rs '000	Rs '000								
Financial assets at fair value through profit or loss:										
Local corporate debt	**-**	-		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Open-Ended Mutual Funds:										
Foreign	**37,035**	38,375		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Foreign equities	**18,441**	6,818		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Foreign equities	**200,563**	174,187		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Foreign equities	**176**	-		**Level 3**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**6,373**	5,587		**Level 1**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Leisure and Hotels	**-**	-		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A
Commerce and others	**5,935**	9,773		**Level 2**	**Active market price**	**Active market price**	**N/A**	N/A	**N/A**	N/A

37. EVENT AFTER THE REPORTING DATE

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 30 June 2023.

EAGLE
INSURANCE

HEAD OFFICE

Eagle House, 15 A5 Wall Street, Ebene Cybercity
T: (230) 460 9200 | F: (230) 460 9299

PORT-LOUIS BRANCH

Dr Ferrière Street, Port Louis
T: (230) 260 1980 | F: (230) 214 3800

www.eagle.mu | **info@eagle.mu**

A member of IBL