



Annual **Report**  
2020





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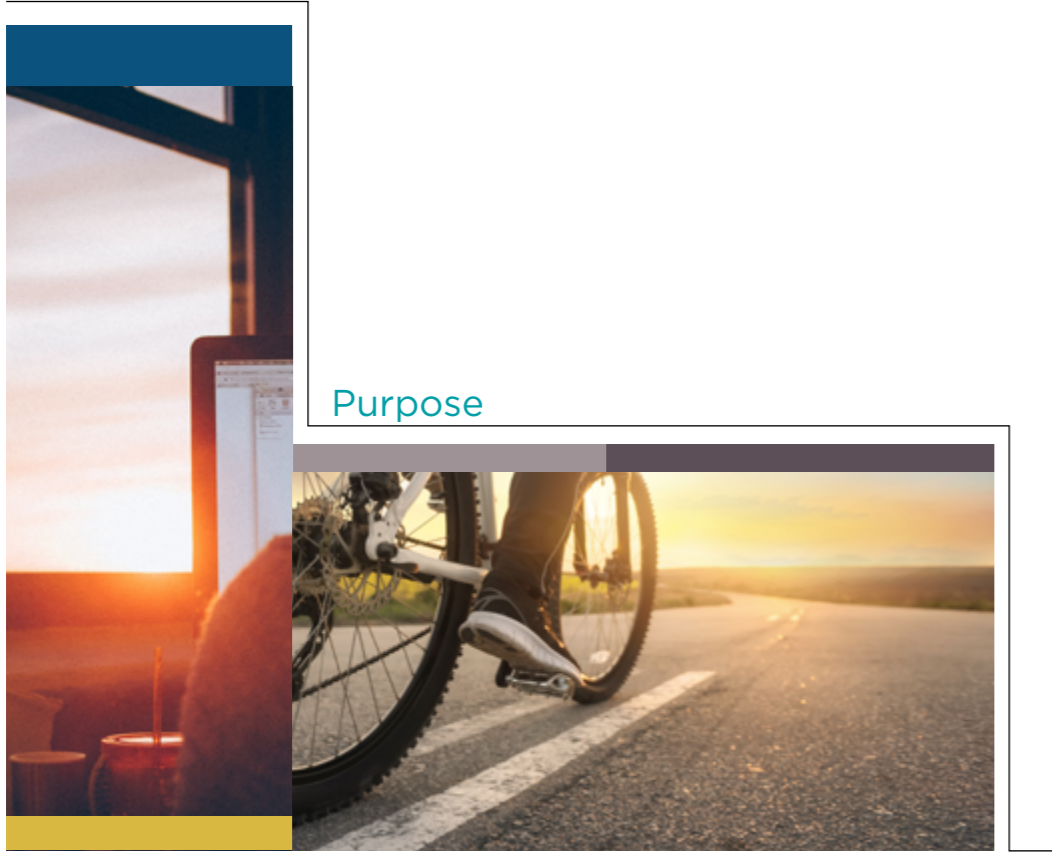


# Glossary of Terms, Acronyms and Abbreviations

AIM	Advance Institute of Motoring Ltd
ARC	Audit and Risk Committee
BCSD	Business Council of Sustainable Development
CGNRC	Corporate Governance, Nomination and Remuneration Committee
CO2	Carbon dioxide
CSR	Corporate Social Responsibility
DEM	Development & Enterprise Market of the Stock Exchange of Mauritius Ltd
DPS	Dividend per share
EBITDA	Earnings before interest, tax, depreciation, and amortisation
EPS	Earnings per Share
FPSL	FleetPro Services Ltd
GCEO	Group Chief Executive Officer
GCA	Group Chief Accountant
HAWT	Horizontal-axis wind turbine
HC	Hydrocarbons
ICL	Island Communications Ltd
IFRS	International Financial Reporting Standard
kWh	Kilowatt-hour
MBA	Master of Business Administration
MioD	Mauritius Institute of Directors Ltd
MUR	Mauritian Rupees
MyC	MyChauffeur Ltd
NAV	Net Asset Value
NAVPS	Net Asset Value per Share
NGO	Non-Governmental Organisation
NOI	Net Operating Income
NOx	Nitrogen oxides
PAT	Profit after Tax
PET	Polyethylene terephthalate
PIE	Public Interest Entity
PM	Particulate matter
PV	Photovoltaic
RHT HL	RHT Holding Ltd
RHT BS	RHT Bus Services Ltd
RHT IL	RHT Investments Ltd
RHT PL	RHT Properties Ltd
RHT VL	RHT Ventures Ltd
ROE	Return on Equity
SEM	The Stock Exchange of Mauritius Ltd
SEMSI	Stock Exchange of Mauritius Sustainability Index
Sqm	Square metres
TMSL	Transport and Micropayment System Ltd
VAWT	Vertical-axis wind turbine
ZEB	Zero-emission bus



# About the Group



RHT Holding Ltd initially started its operations in 1954 under the name Rose Hill Transport Group, operating in public transport in Mauritius. Through its years of experience in the bus services sector, RHT Holding Ltd has established itself as the leading market player.

RHT was first listed on the Over-The-Counter ("OTC") market of Stock of Exchange of Mauritius ("SEM") in 2001, it was officially listed on the Development & Enterprise Market ("DEM") of the SEM on 4 August 2006, the date when the SEM was officially launched. A restructuring was implemented two years later to separate the different activities into clusters. Subsequently, in 2010, the shareholders resolved to change the name of the Group from Rose Hill Transport Ltd to RHT Holding Ltd.

Although public transport remains the core activity of the Group, operating under the name of RHT Bus Services Ltd, there has been a diversification into corporate venturing, investment in property and equities of blue chip companies trading on the SEM as well as in international funds.

On 7 September 2015, RHT Holding Ltd was also listed on the SEM Sustainability Index ("SEMSI"), which seeks to promote the best companies in Mauritius working to provide a more sustainable business environment for all stakeholders.

The RHT Group is now entering a crucial phase. With the inception of the Metro Express service, the Company is poised to reinvent itself and transition to markets that offer better margins.



## Our Vision

To be the leader in sustainable investments, technology and mobility beyond boundaries.



## Our Mission

We aspire to be one of Mauritius' most valuable companies through innovation, world-class performance and a clear focus on each of our business segments.







# Chairperson's Message



“Success is not final; failure is not fatal: it is the courage to continue that counts.”

*Sir Winston Churchill*

## Dear Valued Shareholder

On behalf of the Board of Directors, it is my pleasure to present the Annual Report of RHT Holding Ltd (the “Company”) for the year ended 30 June 2020.

For many years now, survival and adversity have been part and parcel of our reality as we have been going through so many successive ordeals. Indeed, our largest subsidiary, RHT Bus Services Ltd has been massively impacted by the construction works and operations of the Metro Express. More recently the whole Group has been and is being severely hit by the multiple effects of the COVID-19 pandemic, which have further decreased our ridership, increased our operating costs and destroyed a large portion of shareholder value.

In such a situation, many organizations would have simply just given up.

Sir Winston Churchill once said that “*Success is not final; failure is not fatal: it is the courage to continue that counts.*”

And courage we do have. Even in the midst of a global pandemic like the current Coronavirus outbreak our teams have continued to show utmost resilience in the face of such adversity. Our staff and managers have been fast-tracking their “professional development” as they experience the intensity of so many different uncharted transitions that have forced RHT Group to keep re-inventing itself and fostering innovation as a means of survival. Our motto and guiding brand tagline, “Leadership through Innovation” encapsulates both our Group’s ambition and our criteria for value creation. Never has this been more necessary than in the current exceptionally difficult business environment.

Furthermore, despite relentless assurances and reassurances by the Government through announcements made by the appropriate Transport Authorities that the necessary decisions and adequate arrangements would be made, to date nothing concrete has been done. However, the supplicant’s request for support, subsidy or grants neither is nor will be the approach adopted by RHT Group. Our Group wishes quite simply to work and perform on a level-playing-field and stand on our own feet, while being paid our dues.

## Strategic Focus

The Board of Directors meets the Senior Managers and Executives of the Group annually and reviews the Group’s strategy at the corporate, business and functional levels as regularly as possible. The last quarter, starting as from end-March 2020, has been exceptionally disruptive and complex for the Group, due to the extremely difficult context described above, and has called for the formulation of a new strategic plan.

The wider part of RHT Group’s present strategy is the result of previously initiated actions and business approaches. However when all our markets, in both Mauritius and Africa, take an unanticipated and unprecedented downward turn, our Group, under the leadership of its Board of Directors, Senior Executives and Managers, requires a strategic reaction to cope with such contingencies.

Our core strategy still revolves around the concepts of “mobility” and “technology”. Thus, we will continue to leverage our experience and our brand as an outstanding innovative company in an enlarged field combining “transportation” and “information technology”.

At subsidiary levels, with the adverse impact of the COVID-19 on the Mauritian economy, our short-term objective has been and remains the mitigation of risks at all levels, including slow debt recovery or bad debts, customer base erosion, high gearing or ominous current ratios etc., while concomitantly working towards our longer term objective which is to continue our “related growth” strategies and diversification of both our product and services offerings and our markets.

## Dividend

Our overall performance for the first semester of the period under review has, against all odds, been remarkably encouraging despite the various impacts on our various business segments and an interim dividend of MUR0.50 was declared on or about November 2019 but unfortunately, owing to the extremely tight situation arising from the COVID-19 pandemic ordeal, whether in terms of revenue or cash flow, it has been impossible for the company to consider remunerating its shareholders with a final dividend declaration.

The total dividend declared in the financial year ended 30 June 2020 is MUR0.50 per share as compared with MUR0.90 per share last year and MUR1.10 the previous year.

## Acknowledgements

“It is only in our darkest hours that we may discover the true strength of the brilliant light within ourselves that can never, ever, be dimmed.”

*Doe Zantamata*

Indeed, it is through our struggles that we have developed our strengths. Our managers and staff never intuitively say that something cannot be done, no matter how difficult or discouraging it may be, while our employees have always been supportive of the company’s vision. It is in trying times such as these that we can truly evaluate the real strength of our team. We therefore ask for the understanding and support of our shareholders whose trust in our ability to turn this Group around in the present economic context is very important to the management and the Board of Directors of the company.

Finally, I wish to express my heartfelt thanks to our management team and staff for their loyalty and engagement and to our shareholders for their trust.

**Paul CKF AH LEUNG**

Chairperson



# Group Chief Executive Officer's Report



As part of the new strategy, the Group will focus on the areas of mobility, technology and investments.

## Dear Shareholder

I am pleased to report on the Group activities of RHT Holding Ltd for the financial year 2019/2020.

## Challenging Times

The financial year 2019/2020 has probably been one of the most challenging periods for the Group in its 66 years history. The Metro Express began its operations in November 2019 on RHT Bus Services (RHT BS) most profitable route. We saw a shift of 9000 passengers from our network in favour of the light rail system.

Unfortunately, all the compensation measures promised by the Government to operators impacted by the implementation of the Metro Express, namely the free electric buses and new routes, have yet to be provided. Demands for a review of the subsidy, which has not been adjusted for seven years, remain as of now unattended.

The situation was further exacerbated by the lockdown due to the COVID-19 pandemic in March 2020. RHT BS offered a minimal service for the benefit of people working in the essential services for very little revenue. RHT Investments Ltd. (RHT IL) was also heavily impacted, through its exposure in MCB, with valuations falling from a high of MUR300 to MUR180 their lowest point.

Fortunately, our leasing and fleet management businesses were not as severely affected. However, we have had to show compassion towards some of our customers operating in the most impacted industries. We responded by reviewing our terms of credit with a view to easing their cashflow problem.

During the confinement period, our subsidiary, MyChauffeur played a significant role in supporting the home delivery channel. The service was greatly appreciated by our regular and new customers. This initiative was a good indication of how the Group can adapt quickly to new situations.

## New Direction

The Board of Directors has been very supportive of management in these very testing times. As they say, one should not let a good crisis go to waste. We have reviewed our business model to make us more resilient as a Group by seeking a new direction. The new vision is to seek opportunities that offer better margins and gratification whilst being respectful to the environment. However, the single biggest challenge for the Group remains the restructuring of RHT BS, which is now an imperative so that we can stop the cash burn and turn the company into a sustainable operation.

Thus, I am pleased to share with you that we have benefited from the services of Mr Fareed Jaunboccus, a seasoned consultant in strategy, who has advised some of the largest firms in Mauritius and in the region, in the elaboration of our new strategic plan. We also hired the services of Mr Dass Thomas, an HR expert, who has reviewed our organization structure and worked out a new performance framework. The challenge for the forthcoming year will be the effective implementation of their recommendations.

As part of the new strategy, the Group will focus on the areas of mobility, technology and investments. We also intend to amplify our activities in Africa and thus, in addition to an operation in Zambia, we have now opened a branch office in Rwanda. The Rwanda office (RHT Africa) will allow us to be closer to our partners based mainly in East Africa. Despite the COVID-19 situation, we have already signed an MOU with the Rwanda Biomedical Centre for the use of drones for the delivery of medical samples. We have also signed an agreement with Tondeka for an operational management contract of the BRT in Kampala, Uganda. This is a significant milestone for the Group as this project allows us to export our knowledge. The preliminary phase will be completed in February 2021 and the RHT operational team will be in position as from March 2021. Through RHT Africa we are prospecting similar projects on mainland.

Two significant changes have been made to the Group organization structure. Mr Alexandre Daruty has been appointed as Executive Head of Sales, Marketing and Business Development and Mr Ravindra Goburdhun has been appointed as Group Head of Operations. The main objective of these appointments is to bring a better synergy between our subsidiaries so that we may harness all resources at our disposal in order to generate better results.

## Sustainability

In October 2019, RHT BS won the Afrasia Sustainability Award 2019 for the best project. This award is a recognition of the work done with respect to the introduction of electric vehicles in the country and the efforts made towards achieving a zero-carbon workplace. Since winning the award, the company has pursued its efforts in making sustainability an integral part of its business practices.

The trial of the two electric buses, which have been in operation for more than one year, has allowed us to conclude that they are not only good for the environment, but they also make good financial sense. The running cost of these buses is 40% less than a conventional bus. We intend in all future fleet renewals to opt for electric buses.



## Group Chief Executive Officer's Report (continued)

As a further mark of its commitment to sustainability, RHT BS has commissioned an automatic bus washing machine with a water treatment plant. It is expected that we will save 78% of our daily water consumption.

### Projects

The bid to acquire a bus operation in Kenya has been put on hold due to the pandemic. The decision was taken together with our partners based in Reunion.

The Ebene Car Park, in which the Group owns a 10% stake through its subsidiary, RHT Investments Ltd, has been operational as from August 2020. We are also operating a shuttle service in the Cybercity area. The construction of the Victoria Urban Terminal in which we own close to 14% of the equity is progressing well despite the disruption caused by COVID-19. 35% of the work has been completed and Phase 1 is expected to be ready sometime in September 2021.

**RHT Holding Ltd, through its brand FLO, intends to foray deeper into the field of corporate transportation. This initiative will allow us to divert more of our resources currently placed in RHT Bus Services to this new field. In the process we aim to make our bus-related business leaner and more sustainable.**

### Financial Results

The Group turnover fell by 7.6% on the back of COVID-19 affecting Q4 figures and the adverse impact of the Metro Express. The topline figure for the financial year ended 30 June 2020 was MUR 254M compared to MUR 275M last financial year. Operational expenses were reduced by 11%, moving from MUR 250M last year (2019) to MUR 222M this year (2020).

The losses for the Group increased from MUR 9M last year to MUR 27.1M as at June 2020. On the Statement of Financial Position the total assets remained more or less constant at MUR 1,023M. Shareholder's equity fell down from MUR 674M to MUR 573M as at 30 June 2020. This is largely attributable to the other comprehensive income loss (MUR 65.6M) resulting from MCB shares touching a low at the closure of the financial year.

At subsidiary level, RHT Bus Services (RHT BS) saw a turnover drop from MUR 189.5M to MUR 160M as at 30 June 2020. The company nonetheless made a profit of MUR 35M on the back of the disposal of FleetPro to RHT Investments (RHT IL). It is noteworthy that the company made a cost reduction of MUR 38M on overtime and vehicle running expenses.

RHT IL saw a drop in turnover from MUR 35.2M to MUR 28.2M. The company also registered a loss of MUR 1.8M for the year ended 30 June 2020 as compared to a profit of MUR 32M last financial year. The results were severely affected by the non-declaration of a dividend by MCB and the fall in share price.

The two other significant subsidiaries FPSL and ICL performed relatively well. FPSL saw its turnover increase from MUR 26.5M to MUR 42.2M. Profits on the other hand came down from MUR 3M to MUR 537K largely due to the COVID-19 impact.

ICL's turnover remained stable at MUR 29.2M whereas profits came down from MUR 3.3M last financial year to MUR 1.1M again on the back of the lockdown effect.

### Concluding Remarks

There is currently much uncertainty due to the COVID-19 pandemic. The local economy has contracted by more than 12%. As a business we have an important challenge ahead of us for the next three years as we redefine the core of our business. We are nonetheless confident that we can meet shareholder expectations as the company has constantly demonstrated its resilience and capability to adapt quickly throughout its existence.

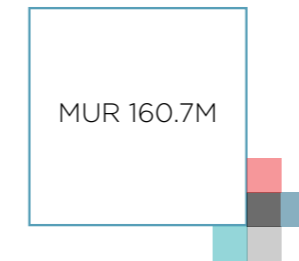
As our investments in new projects mature, we should be able to create significant shareholder value. We rely on your continued support and thank you for your confidence in our company.

**Sidharth Sharma**  
Group CEO

# Group Financial Highlights



RHT Bus Services Ltd.  
Revenue



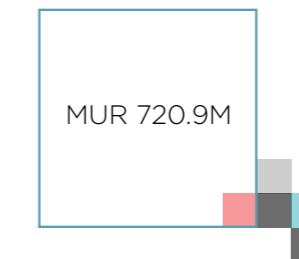
RHT Bus Services Ltd.  
Profit for the year



RHT Investments Ltd  
Loss before TAX



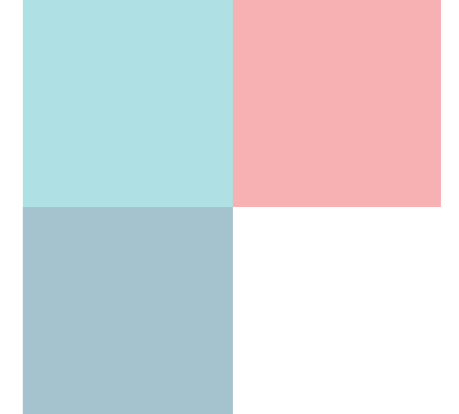
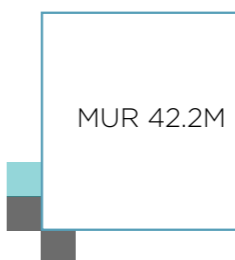
RHT Investments Ltd  
Total assets



Island Communications Ltd  
Revenue



FPSL  
Revenue



MUR 254.5M  
Group Revenue

MUR 32.8M  
Group loss before TAX

MUR 0.50  
Dividend per Share

(MUR 2.23)  
Earnings per Share

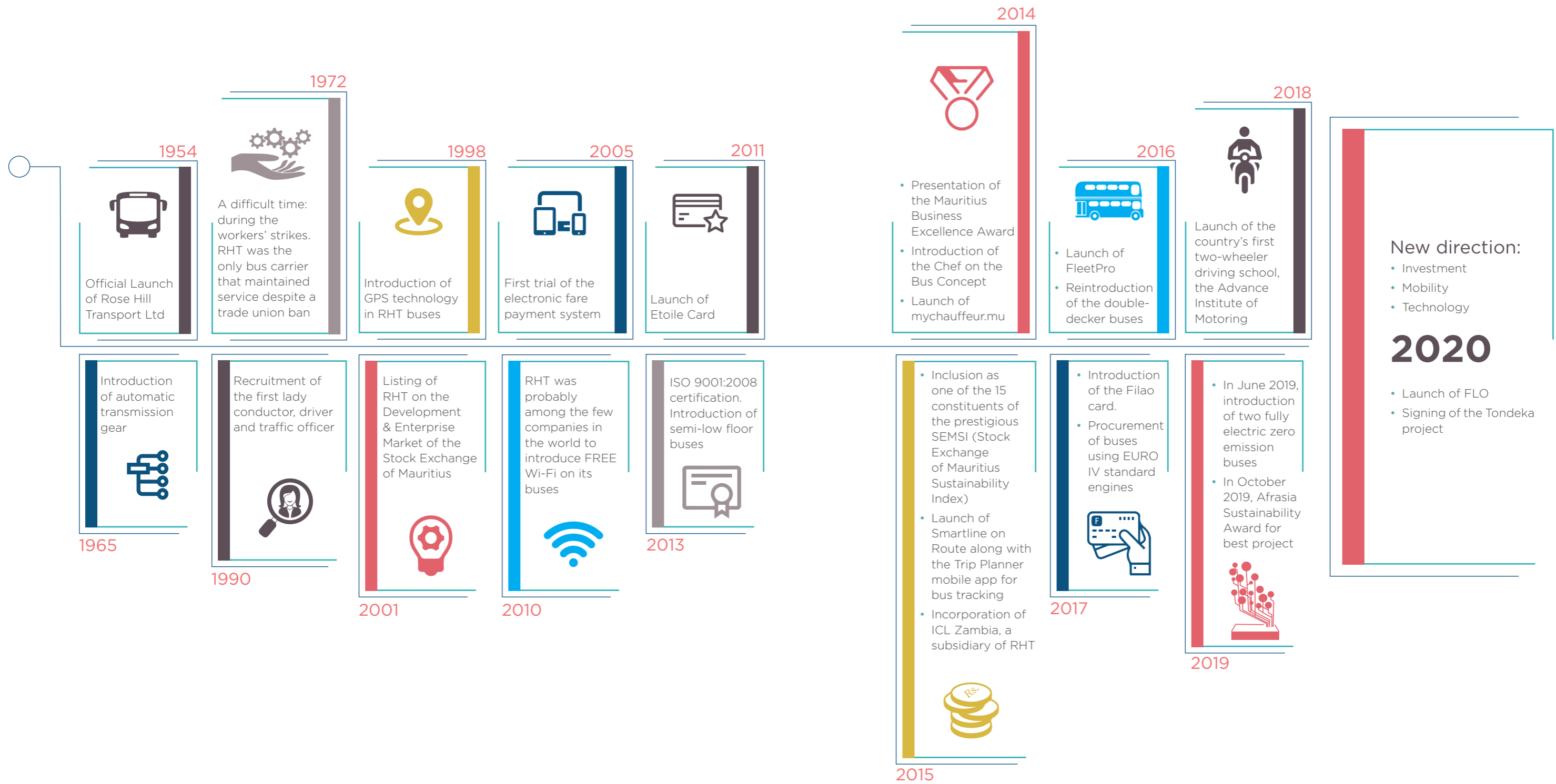
MUR 1,023.2M  
Total Assets

MUR 47.14  
Net Asset Value per Share

MUR 29.00  
Share Price



# Pathway





# Directors



## Paul Chung Kim Fung AH Leung

Chairman and Independent Director

### RHT Holding Ltd

Mr. Ah Leung, born in 1967, is a Member of the Chartered Institute of Marketing (UK) and holds a postgraduate diploma in Innovation and Design Thinking. He is currently the Group Chief Executive Officer of Rey & Lenferna Ltd and holds directorship in a number of Mauritian and international companies. Mr. Ah Leung was appointed as an Independent Director to the Board of RHT Holding Ltd on 10 January 2007. He is also a member of the Mauritius Institute of Directors (MloD).

Current Directorships: Forges Tardieu Ltd and Paltoni Retail Ltd.



## Dr Sidharth Sharma

Group CEO & Executive Director  
RHT Holding Ltd

Dr. Sharrma, born in 1974, holds a BSc (Electrical Engineering) from the University of Cape Town, South Africa, an MSc (Communication and Systems Engineering) and a PhD (Wireless network planning) from the University of Bristol, UK, and is a Chartered Engineer with the Engineering Council, UK. Before joining RHT Holding Ltd in 1996 as Logistics Manager, he worked as a Research Engineer at British Telecom (BT), UK. He was appointed to the Board of RHT Holding Ltd as Director in 2000 and Group Chief Executive Officer on 7 March 2012.

Dr. Sharma is also an Independent Non-Executive Director of Semaris Limited, listed on the Stock Exchange of Mauritius, and 4Sight Holding Ltd., listed on the Johannesburg Stock Exchange (JSE).

A Fellow of the Mauritius Institute of Directors (MloD), Dr. Sharma has been a board member of the MloD, Courts Mammouth Mauritius Ltd. and Globefin Management Services Ltd and a member of the strategic advisory committee of Port Louis Development Initiative (PLDI). An advocate for a greener public transportation system with a keen interest in electric vehicles, he is currently a member of the National Road Safety Council. Over the course of his career, Dr. Sharma has received numerous accolades including a Mauritius Business Excellence award. He has published several technical papers in industry journals on dynamic cellular network planning and wireless technologies.

Other directorships: Semaris Limited, 4Sight Holding Ltd, RHT Bus Services Ltd, RHT Investments Ltd, RHT Ventures Ltd, Island Communications Ltd, FleetPro Services Ltd, Transport and Micropayment System Ltd and MyChauffeur Ltd.



## Meha Desai

Non-Executive Director

### RHT Holding Ltd

Ms Desai holds honours degrees in English Literature from Delhi University and in History of Art from The National Museum in New Delhi, India. She is currently completing her PhD at the University of Birmingham, UK. She was appointed to the Board of RHT Holding Ltd on 12 December 2017. She is a freelance writer and editor currently based in Mauritius. Her writing focuses on culture, food, and lifestyle stories. She has also written extensively on sustainability issues and ethical business practices across various industries. Her writing has been featured in magazines such as Harper's Bazaar, YouPhil.com, Sundays, and StarChefs. She has also written for organizations such as the Indian Council for Cultural Relations, The Craft Revival Trust, and the Alkazi Foundation. She is a member of the Mauritius Institute of Directors (MloD).

Current directorships: Advance Institute of Motoring Ltd, FleetPro Services Ltd and RHT Bus Services Ltd.



## Ravindra Goburdhun

Executive Director

### RHT Holding Ltd

Mr. Ravindra Goburdhun, born in 1958, holds a BSc Science from the University of Udaipur, India. He worked for 10 years in the hotel sector in France. He is also a director on RHT Investments Ltd, the investment arm of the group, FleetPro Services Ltd (previously known as Fleet Africa Indian Ocean Ltd) and Transport and Micropayment System Ltd.

Current directorships: RHT Bus Services Ltd, RHT Investments Ltd, RHT Ventures Ltd, Island Communications Ltd, FleetPro Services Ltd, Transport and Micropayment System Ltd, Advance Institute of Motoring Ltd and MyChauffeur Ltd.



## Uday Kumar Gujadhur

Independent Director  
Chairman of the Corporate Governance, Nomination and Remuneration Committee

### RHT Holding Ltd

Mr. Gujadhur, born in 1955, is a Fellow of the Association of Chartered Certified Accountants, UK, with over 30 years of professional experience in auditing, taxation and consulting. He is a Fellow of the Mauritius Institute of Directors and member of the Institute of Directors-UK.

Mr. Gujadhur serves as an Independent Non-Executive Director of several companies including investment funds and listed entities. He is a Board member of Essar Capital Limited, Investment Manager to Essar Global Fund, a Cayman fund with investments worldwide. Until 2008 he was the CEO, Director and Shareholder of a major trust and fiduciary company in Mauritius.

On the social side, he is an active member and Past President of the Rotary Club of Port Louis engaged in various community projects.

Current directorships: Bavure Holdings Ltd, Quality Beverages Limited, Soap & Allied Industries Limited, Dacosbro Limited and The Mauritius Commercial Bank Limited.





**Yoosuf Kureeman**

Non-Executive Director  
**RHT Holding Ltd**

Mr. Kureeman, born in 1956, was appointed to the Board on 1 January 2007. Mr. Kureeman is also a director of RHT Bus Services Ltd and of the venture companies of the group.

Current directorships: Island Communications Ltd, RHT Ventures Ltd and RHT Bus Services Ltd.



**Stéphane Leal**

Non-Executive Director  
**RHT Holding Ltd**

Mr. Leal was born in 1971 and holds a BSc in Business Management (cum laude) with double majors in Finance and Marketing from Boston College, USA.

Mr. Leal was appointed to the Board of RHT Holding Ltd on 27 September 2004 and is also a Director of RHT Bus Services Ltd and of the venture companies of the Group.

He is a Director of Mauritours Ltd and a number of other companies in the tourism sector.

Current directorships: Mauritours Ltd, Efficall Support Services Ltd, Back Spin Mauritius Ltd and L.O.L Dynamic Adventures Ltd, RHT Bus Services Ltd, Island Communications Ltd, RHT Ventures Ltd, FleetPro Services Ltd, MyChauffeur Ltd, Transport & Micropayment Systems Ltd and Advance Institute of Motoring.



**Kamil Patel**

Independent Director  
Chairman of the Audit and Risk Committee  
**RHT Holding Ltd**

Mr. Patel, born in 1979, holds an MBA (cum laude) from the University of Edinburgh. He was appointed as an Independent Director of RHT Holding Ltd on 1 July 2014.

He is currently the CEO of the Rentsolutions Group and Chairman of the Board of the JSE listed 4Sights Holdings Ltd. Prior to founding the Rentsolutions Group, he was the CEO of the Dölberg Group for 9 years. He was also the Chairperson of Rentworks, one of the largest leasing companies in South Africa until November 2019. Before that, Kamil ran his own tennis business within the hospitality industry and has been publicly credited for changing tourism in Mauritius.

He is a Mauritian citizen who grew up in Ethiopia, Switzerland and the United States and has strong ties with the UK. He is a member of the Mauritius Institute of Directors (MIoD), President of the Mauritius Tennis Federation and a member of the Confederation of African Tennis.

Current directorships: Ilot Malais, Ltd, Eco Dynamics Limited, Ferrotech Limited, Lavoro Limited, Rentsolutions Limited, Dölberg Finance Holdings Limited, Dölberg Investments Ltd, MyChauffeur Ltd, RHT Investments Ltd, 4Sights Holdings Ltd.



Senior Management Team



**Alexandre Daruty**

Head of Sales, Marketing & Business Development  
**RHT Holding Ltd**

Alexandre Daruty, born in 1987, holds bachelor's degrees in International Business, Finance and Management. He joined the Group on 3 November 2020. He is responsible for the development, implementation and assessment of the sales and marketing strategies and opportunities for RHT Holding Ltd and each entity within the Group, and the subsequent marketing and sales plans, with the overall aim of promoting the Group's vision and objectives in both the local and international environment. He also leads sales and client-relationship management.



**Yudheesha Napaul Crouche**

Group Human Resources Manager  
**RHT Holding Ltd**

Yudheesha Napal Crouche joined RHT Group as Human Resources Manager in July 2018, after working in various environments including textile, manufacturing and technology. Her experience in the field of HR management encompasses talent acquisition, employee engagement, employee performance appraisal, automation of HR processes, payroll, employee relations, job profiling and remuneration mechanisms.

A graduate in mathematics from the University of Technology, Mauritius, she is currently completing her master's degree in Applied Statistics and Operational Research.



**Prakash Rajkomar**

Group Chief Accountant  
**RHT Holding Ltd**

Prakash Rajkomar is a Fellow of the Association of Chartered Certified Accountants, UK. Since joining RHT Holding Ltd, he has been closely involved in the revamp of the Group's Finance Department. In addition to his standard duties as Chief Accountant, he acts as liaison between the Senior Management, the Executive Directors and the Finance Department. He is also involved in the administration of the companies within the investment arm of the Group.

Prior to joining RHT Group, he worked for about 15 years for a Mauritius-based offshore management company forming part of a multinational, where he acquired extensive experience, and was promoted to Head of Accounting and Director following the expansion of the company's activities.



## Senior Management Team (continued)



### Devarajen Adiapien

Procurement and Facility Manager

#### RHT Bus Services Ltd

Devarajen Adiapien joined RHT in May 1998. Holder of a BA in Business Administration from the City College UK, a HDIP in BTEch in Business and Finance, and Human Resource Management, and a Postgraduate Diploma in HRM. He is also a member of the Association of Business Executives.

He manages all welfare activities, customer proximity initiatives, health and safety events and activities, and facility tasks within the Group companies.

In July 2020, he was awarded two certificates of Special Recognition for his dedicated service and valuable contribution and commitment during the COVID-19 lockdown period.



### Ashwin Ramchurn

Workshop Manager

#### RHT Bus Services Ltd

Ashwin Ramchurn joined RHT Bus Services Ltd as Assistant Workshop Manager in October 2016, and was appointed Workshop Manager in June 2019. He is responsible for the good running of the bus fleet and various engineering related tasks within the organisation.

Ashwin has an automotive engineering background and upon completion of his studies in 2011, he worked for ABC Motors as Service Engineer, Toyota (Mauritius) Ltd as Trainee Service Manager and CFAO Motors as Operations Engineer. In all three companies he was responsible for the aftersales service offered to customers, while reporting directly to the Senior Management and Directors.

Ashwin holds a master's degree in Total Quality Management with Performance Excellence and a Bachelor's in Engineering, from the University of Mauritius. He has also achieved several automotive certifications through City and Guilds (UK), Nissan N-Step, Toyota KODAWARI and Daimler Truck Learning Academy.



### Reehaz Soobhany

Chief Operating Officer

#### RHT Bus Services Ltd

Reehaz Soobhany, born in 1974, joined RHT Bus Services in July 2019. He oversees all the core operational, financial and business development functions within the RHT Mobility cluster, including the overall business running of the bus services and the development of new business in the new mobility areas. He also manages projects that are specific to RHT Bus Services Ltd, MyChauffeur and FLO, as well as chairing the Health and Safety Committee.

Reehaz is initially from a technology consulting background having held consulting and senior managerial positions at New Edge Solutions (Eclasia Group), Ceridian and SKC Surat & Co Ltd. He is well versed in new technologies as well as operational management, people management and strategy formulation and execution.

Reehaz holds a Bachelor of Information Technology (Software Engineering) from the Australian National University, and Master of Business Administration from the University of Mauritius. He has also performed post-graduate research in data mining at the Commonwealth Scientific and Industrial Research Organisation (CSIRO Australia) and is a Member of the Mauritius Institute of Directors.



### Hussayn Baulum

Senior Lead/Trainer

#### Advance Institute of Motoring Ltd

Hussayn Baulum, born in 1978, joined RHT Ventures Ltd in 2014 as a driver and was subsequently promoted to Transport Planner. Following his certification by AA Drive/Tech (UK) as Trainer and Assessor for on-road and workshop driver training in 2016, he was appointed trainer at the RHT Training Academy. In 2018 he was promoted to his current position of Senior Lead/Trainer of the Advance Institute of Motoring Ltd, and is now responsible for the daily running of the Institute.

Before joining the RHT Group, Hussayn worked in transport planning for more than 15 years. During his career he has developed a wide range of skills including planning, fleet management and operations, monitoring of performance and behaviours of road users, training and coaching.



### Ganesan Veeraragoo

Operations Manager

#### FleetPro Services Ltd

Ganesan Veeraragoo, born in 1971, joined the company in January 2017. He is responsible for the running of the daily operations of FleetPro and the workshop department. He is a result-oriented person, with over 30 years' experience in operations management, supervision and client relations. He has acquired computer and technical skills through working with international franchises, such as ADA in Paris, and Engen Quick Shop and Corner Bakery in Cape Town.



### Ajmal Abdool

Chief Operating Officer  
RHT Ventures Ltd

Ajmal Abdool, born in 1981, first joined the Group in 2005 as Software Engineer at Island Communications Ltd (ICL). He was promoted to General Manager of ICL in 2007 and was responsible for the overall business growth, strategic direction, the performance of the company and market diversification into Africa. He was appointed to his current position of Chief Operating Officer of RHT Ventures Ltd in July 2018. He is now responsible for the diversification, profitability, differentiation and growth of ICL (Mauritius and Africa), Transport and Micropayment System Ltd (TMSL) and MyChauffeur.

Before joining ICL, he worked as Business Systems Consultant at Currimjee Informatics, and then Special Projects Consultant at New Edge Solutions working on various software projects within the Eclasia Group of Companies. He has thus acquired a rich professional experience in the IT industry covering a wide range of technical, operational and strategic roles.

Ajmal holds an MBA (specialisation HR) from the University of Mauritius, and a Bachelor of Engineering (IT & Telecommunications) from the University of Adelaide, Australia. He is also a Chartered Member of the Logistics and Transport Institute, UK, and a Member of the Mauritius Institute of Directors.



**Yan Kwizera**

Managing Director

**RHT Africa**

Yan Kwizera, born in 1985, holds a BSc in Computer Science and is currently finalising an Executive MBA. Based in Kigali, Rwanda, he is responsible for expanding RHT Holding's business in providing smart mobility products and services on the African continent. He is a technopreneur with experience in supporting start-ups, project management and microfinance.

## Message from the Chairperson of the Corporate Governance, Nomination and Remuneration Committee

Dear Shareholders

It is my pleasure to submit the Corporate Governance report for the year ended June 2020 for your consideration.

The first half of the year was business as usual. Your Committee met three times with its established agenda. We reviewed the Committee Charter and covered key specific areas. The Committee also reviewed the Board Composition of its subsidiaries to ensure that we have the right set skills and numbers.

Furthermore, our Company Secretary carried out the annual Board Evaluation in February 2020 just before the lockdown. Its findings will be considered at the forthcoming Committee meeting in September.

However, the latter part of the financial year under review has been a challenging one with the outbreak of the COVID-19 pandemic and our country moving into lockdown on 20 March 2020. Our Business Continuity Plan was set in motion and the new norm of working from home was triggered. Our Board and Committee meetings were held via video conference.

Human resources being key to the long-term success of any organisation, the Committee enlisted the services of Mr Dass Thomas to review the current organisation structure and carry out an HR review. The recommendations have been considered and approved by the Board at its recent July meeting.

With the challenges posed by the pandemic and the general business outlook, the continued importance of governance will remain a cornerstone in our measured pursuit of both local and regional expansion. Our values and ethics will remain an integral part of our strategy.

I wish to thank the members of the Committee and the Management for their dedication, professionalism and support in what has been a challenging year.

On behalf of the Committee

**Uday Gujadhur**

Chairperson

Corporate Governance, Nomination and Remuneration Committee



# Corporate Governance Report

for the year ended 30 June 2020

## Company Profile

RHT Holding Ltd, a public company, incorporated in the Republic of Mauritius on 27 April 1954 and listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd, is a Public Interest Entity as defined by the Financial Reporting Act 2004.

## Principle 1: Governance Structure

All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.

The Board and Management of RHT reiterate their commitment to sustain high standards of Corporate Governance in order to maximise long-term value of all Shareholders and Stakeholders at large. Furthermore, it endorses the highest standards of business integrity and professionalism to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

The Board assumes full responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements. Besides, the Board is collectively responsible for the long-term success, reputation and governance of the Company. The Board also determines the Company's mission, vision, values and strategy.

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Company, which are laid down in the following:

- The Constitution of RHT;
- Terms of Reference of the Board Committees;
- National Code of Corporate Governance for Mauritius (2016);
- Companies Act 2001;
- The Securities Act 2005; and
- DEM Rules of the Stock Exchange of Mauritius.

The following key governance documents are available on the website of the Company:

- Constitution;
- Board Charter
- Organisation Chart
- Code of Ethics.

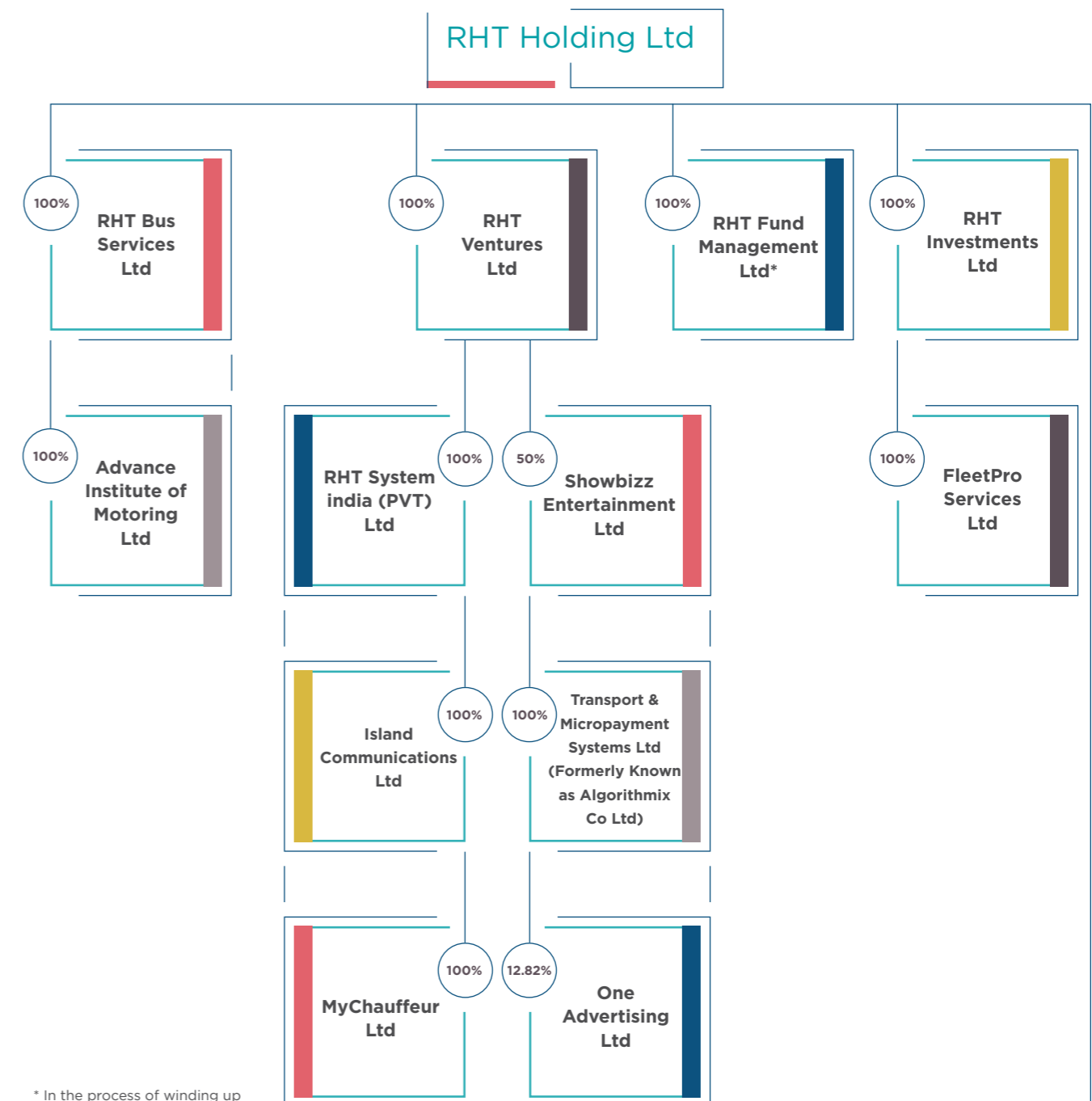
These documents have been drafted with the skills, knowledge, and expertise of the Board of Directors, who have not only been fully involved but have unanimously approved these essential documents and seek to adhere to them by the spirit and by letter. These are reviewed by the Board on a regular basis.

The Directors and Management of RHT also recognise the need to adapt and improve the principles and practices in light of their experience, regulatory requirements and investor expectations.

Additionally, every person holding a senior governance position within the Company has a written job description/ position statement and is fully aware of their key responsibilities.

## Company Structure

The structure of the Company is shown in the figure below:



\* In the process of winding up

During the year under review, one of the subsidiaries of the Company, namely RHT Properties Ltd, and its subsidiary, namely Hugnin Property Development Ltd, have amalgamated with and into RHT Investments Ltd.



## Corporate Governance Report (continued)

### Common Directors

The names of the common Directors are as follows:

Common Directors	RHT Holding Ltd	RHT Bus Services Ltd	RHT Investments Ltd	RHT Ventures Ltd	Island Communications Ltd	FleetPro Services Ltd	Transport & Micropayment System Ltd	MyChauffeur Ltd	Advance Institute of Motoring Ltd
Paul Chung Kim Fung Ah Leung	•*								
Sidharth Sharma	•	•	•	•*	•	•	•	•	
Ajmal Abdool				•	•			•	
Meha Desai	•	•	•			•			•
Ravindra Goburdhun	•	•	•	•	•	•	•	•	•*
Uday Kumar Gujadhur	•								
Yoosuf Mohammed Kureeman	•	•		•	•				
Gilbert Patrick Stephane Leal	•	•*		•	•*	•*	•	•	•
Kamil Patel	•		•*					•*	
Khevin Seebah							•*		

\* Chairperson

### Substantial Shareholders as at 30 June 2020

The Stated Capital of the Company as at 30 June 2020 amounted to MUR 24,324,300/- divided into 12,162,150 Ordinary Shares of MUR 2 Par Value.

The following shareholders held more than 5% of the stated capital of the Company as at 30 June 2020:

Name of Shareholders	Number of Ordinary Shares	Percentage Holding
Succession Sanjiva Goburdhun	2,182,745	17.9470%
Mrs Nayan Sharma	1,576,690	12.9639%
Mauritours Superannuation Fund	883,680	7.2658%

### Constitution

The Constitution of RHT is in conformity with the provisions of the Companies Act 2001 and the DEM Rules of The Stock Exchange of Mauritius.

There are no clauses of the Constitution deemed material enough for special disclosure.

A copy of the Constitution can be obtained upon request in writing to the Company Secretary at its registered office, c/o Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal.

### Principle 2: The Structure of the Board and its Committees

The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board's decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.

### Board Structure

RHT is led by an effective unitary Board which is the favoured structure for companies in Mauritius. The Board of RHT consists of two (2) Executive, three (3) Non-Executive and three (3) Independent Non-Executive Directors.

The notion of independent directors is based on the criteria provided under the Generic Guidance of the Code.

Only Board members attend each Board meeting for the duration with other officers of the Company, advisors and other subject-matter experts only attending on invitation for as long as it is deemed necessary by the Chairperson. The use of Alternate Directors is permissible. This is made possible by the careful drafting of the annual Board calendar that is set out each year by the Chairperson of the Board with the assistance of the Company Secretary.

### Board Size

The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board Committees may be set up to assist the Board in the effective performance of its duties.

The Constitution of RHT provides that the Board of Directors shall consist of not less than seven (7) or more than eleven (11) Directors.

All the Directors are re-elected by separate resolution at every Annual Meetings of Shareholders of the Company.

### Board Composition

As at 30 June 2020, the Board of RHT was composed as follows:

Name of Directors	Category
Paul C.K.F Ah Leung	Chairperson and Independent Non-Executive Director
Sidharth Sharma	Group CEO and Executive Director
Meha Desai	Non-Executive Director
Ravindra Goburdhun	Executive Director
Uday Kumar Gujadhur	Independent Non-Executive Director
Yoosuf Mohammad Kureeman	Non-Executive Director
Gilbert Patrick Stephane Leal	Non-Executive Director
Kamil Patel	Independent Non-Executive Director
Michel Patrice Leal (Alternate to Gilbert Patrick Stephane Leal)	Non-Executive Director

The Board considers that Mr. Paul C.K.F Ah Leung is deemed independent notwithstanding that he has served on the Board for more than nine (9) years from the date of his first election.

The Board is also of the view that its present composition is adequately balanced and that the current Directors have the range of skills, expertise and experience to carry out their duties properly.

The names of the Directors, their profiles and their categorisation as well as their directorship details are set out in the Directors' Profiles section of this report.





## Corporate Governance Report (continued)

### Board Diversity

The Board of RHT has attempted to create the right balance and composition in such a way as to best serve the Company. The Board has an appropriate mix of gender, experience, diversity and all Directors wholly endorse the belief in diversity which is expressed in both the Board Charter and Code of Ethics. All Board members are ordinarily resident of Mauritius.

RHT is also an equal opportunity employer, with a non-discrimination policy that covers its senior governance positions and includes diverse professional backgrounds with a broad mix of skills and competencies.

RHT believes that, based on its size, the current Directors possess the appropriate expertise and knowledge to discharge their duties and responsibilities effectively and to meet the Company's business requirements.

### Board of Directors

The Board of Directors is the ultimate decision-making entity of RHT and exercises leadership, entrepreneurship, integrity and sound judgement in directing the Company to achieve continuing prosperity for the organisation while ensuring both performance and compliance.

All Directors are aware of the key discussions and decisions of the committees as the Chairperson of each committee provides a summary to all the Directors at the Board meeting following the relevant committee meetings.

Besides, it is the Board's responsibility to apply proper and effective corporate governance principles and to be the focal point of the corporate governance system.

The role of the Board of Directors is, inter alia:

- To provide entrepreneurial leadership to the Company within a framework of prudent and effective risk management;
- To determine the Company's vision, strategy and values;
- To monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
- To make sure that the necessary financial and human resources are in place for the Company to meet its objectives;
- To ensure that the Company complies with all laws, regulations and codes of best business practice;
- To keep proper accounting records, and ensure that a true and fair set of financial statements are prepared.

### Chairperson and Group Chief Executive Officer

As a cornerstone of Corporate Governance the duties and responsibilities of the Chairperson and Group Chief Executive Officer are kept separate to ensure a proper balance of power, increased accountability and greater capacity of the Board for independent decision-making.

In his role as Chairperson, Mr. Paul C.K.F Ah Leung, is responsible for leading the Board and for ascertaining its effectiveness whereas the Group Chief Executive Officer, Dr. Sidharth Sharma, has the day-to-day management responsibility of the operations, in particular, implementing the strategies and policies approved by the Board.

The Chairperson is elected every year by the Board.

### Board Meetings

The Board meetings are normally held at least once each quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all Directors. For the year under review the Board met six (6) times and decisions were also taken by way of resolutions in writing, agreed and signed by all Directors.

The Board meetings are conducted in accordance with the Company's Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the Directors.

A detailed agenda, as determined by the Chairperson, together with other supporting documents, is circularised in advance to the Directors to enable them to make focused and informed deliberations at Board meetings. To address specific urgent business needs, meetings are at times called at shorter notice.

A quorum of at least fifty per cent (50%) of the Directors is currently required for a Board Meeting of RHT. In case of equality of votes, it is noted that the Chairperson does not have a casting vote.

The Directors may ask for any explanations or production of additional information and, more generally, submit to the Chairperson any request for information or access to information which might appear to be appropriate to them. Furthermore, the Directors have the right to request independent professional advice at the Company's expense.

All Directors have a duty to declare conflicts of interest before proceeding with any transaction. As such, a Director who has declared their interest shall not vote on any matter relating to the transaction or proposed transaction in which they are interested and shall not be counted in the quorum for the same purpose of that decision. The Company Secretary takes note of any conflict of interest declared by a Director and records it in the minutes of the meeting.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book of the Company. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairperson and the Company Secretary.

### Board Committees

In order to facilitate effective management, the Board of Directors of RHT has established two (2) Committees for the Group, namely the Audit and Risk Committee and the Corporate Governance, Nomination and Remuneration Committee, to assist the Board by ensuring a more comprehensive evaluation of specific issues.

These Committees operate within defined Terms of Reference and independently to the Board.

The Chairperson of each Board Committee reports on the proceedings of their Committee at each Board meeting of the Company and the Committees regularly recommend actions to the Board. The Company Secretary acts as secretary to the Board Committees.

The Board Committees are authorised to obtain, at the Company's expense, professional advice both within and outside the Company in order for them to perform their duties.

The Board of RHT believes that the members of its two (2) above-mentioned Committees have the appropriate balance of skills, experience, independence and knowledge to enable them to discharge their duties.

The Board of Directors assesses the Terms of Reference of the two (2) Board Committees on a regular basis to ensure that they are being applied correctly and that they are still compliant with the various regulations.

### Audit and Risk Committee

During the year under review, there has been a change in the composition of the Audit and Risk Committee with the resignation of Mr. Van Man Sin Kwik Wong and the appointment of Ms. Meha Desai.

At the date of this report, the membership of this Committee was as follows:

Members	Category
Kamil Patel	Chairperson and Independent Non-Executive Director
Meha Desai	Non-Executive Director
Uday Kumar Gujadhur	Independent Non-Executive Director
Gilbert Patrick Stephane Leal	Non-Executive Director
<b>In attendance (when deemed appropriate)</b>	
Sidharth Sharma	Executive Director and Group Chief Executive Officer
Prakash Rajkomar	Group Chief Accountant
PwC	Internal Auditors - Independent Service Provider
BDO & Co	External Auditors - Independent Service Provider



## Corporate Governance Report (continued)

The main functions of the Audit and Risk Committee are as follows:

- Reviewing the effectiveness of the Group's internal control and reporting systems;
- Monitoring the effectiveness of the internal audit function;
- Overseeing the financial reporting procedures in line with the relevant accounting standards;
- Making recommendations to the Board of Directors concerning the appointment of the external auditors;
- Reviewing the scope of work and the remuneration of the external auditors;
- Monitoring the effectiveness and independence of the external auditors;
- Recommending the condensed unaudited quarterly financial statements; and
- Maintaining the integrity of the financial statements.

BDO & Co was re-appointed as external auditors at the Annual Meeting of the Company held on 18 December 2019.

The Company Secretary acts as Secretary of the Audit and Risk Committee to ensure proper recording of the proceedings of the meetings.

### Corporate Governance, Nomination and Remuneration Committee

The composition of the Corporate Governance, Nomination and Remuneration Committee remained unchanged during the year under review.

At the date of this report, the membership of this Committee was as follows:

Members	Category
Uday Gujadhur	Chairperson and Independent Non-Executive Director
Sidharth Sharma	Executive Director and Group Chief Executive Officer
Paul C.K.F Ah Leung	Chairperson of the Board of Directors and Independent Non-Executive Director
Meha Desai	Non-Executive Director
Yoosuf Mohammad Kureeman	Non-Executive Director

The Corporate Governance, Nomination and Remuneration Committee operates under the Terms of Reference approved by the Board and a quorum of two (2) members is currently required for a meeting of the Committee.

The main functions of the Corporate Governance, Nomination and Remuneration Committee are as follows:

- Providing guidance to the Board on all corporate governance provisions to be adopted so that the Board remains effective and follows prevailing corporate governance principles;
- Reviewing the Corporate Governance Report to be published in the Annual Report of RHT and ensuring that the reporting requirements are in accordance with the principles of the National Code of Corporate Governance 2016;
- Recommending to the Board of Directors the adoption of policies and best practices as appropriate;
- *In its role as Nomination Committee*, reviewing the structure, size and composition of the Board, identifying and recommending to the Board possible appointees as Directors, making recommendations to the Board on matters relating to appointment or re-appointment of Directors and succession plans for Directors whilst assessing the independence of the Independent Non-Executive Directors; and
- *In its role as Remuneration Committee*, determining and developing the Company's and Group's general policy on executive and senior management remuneration and making recommendations to the Board on all the essential components of remuneration whilst determining the adequate remuneration to be paid to Directors and senior management.

The Corporate Governance, Nomination and Remuneration Committee met three (3) times during the year under review.

The Corporate Governance, Nomination and Remuneration Committee confirms that it has fulfilled its responsibilities for the year under review in accordance with its Terms of Reference.

In line with the Code's aspiration that the Corporate Governance, Nomination and Remuneration Committee be chaired by an Independent Non-Executive Director, Mr. Uday Gujadhur has been appointed as Chairperson of the said Committee in view of his extensive experience and knowledge and in order to provide continuity in the application of best practices.

The Company Secretary acts as Secretary of the Group Corporate Governance Committee to ensure proper recording of the proceedings of the meetings.

### Attendance at Board and Committee Meetings

All Directors are committed to attending meetings of the Board and Committees on which they serve.

Below is a record of attendance at all Board and Committee meetings held in the reporting year:

Name of Directors	Category	Board Meetings	Audit and Risk Committee Meetings	Corporate Governance, Nomination and Remuneration Committee
Paul C.K.F Ah Leung	INED	6/6	-	3/3
Sidharth Sharma	ED	6/6	-	3/3
Meha Desai	NED	6/6	3/3	3/3
Ravindra Goburdhun	ED	6/6	-	-
Uday Kumar Gujadhur	INED	6/6	5/5	3/3
Yoosuf Mohammad Kureeman	NED	6/6	-	3/3
Gilbert Patrick Stephane Leal	NED	4/6	4/5	-
Kamil Patel	INED	5/6	4/5	-
Van Man Sin Kwok Wong	NED	1/3	0/2	-
<b><i>In attendance</i></b>				
Sidharth Sharma			5/5	
Prakash Rajkomar			5/5	
External Auditors			1/1	
Internal Auditors			2/2	

\* *In attendance - not a member*

*ED: Executive Director*

*INED: Independent Non-Executive Director*

*NED: Non-Executive Director*

During the year under review, meetings were mostly held to approve the quarterly accounts of the Company.

In addition to regular Board and Committee meetings, strategic Board meetings, which were led by external consultants, were held to discuss the following:

- Re-structuring of the Group;
- Key risks facing the Group and mitigation factors;
- Overarching strategy and objectives for the upcoming year;
- Strategy for each Group subsidiary;
- New ventures for the upcoming years.





## Corporate Governance Report (continued)

### Principle 3: Directors' Appointment Procedures

*There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.*

#### Directors' Profiles

The names of all Directors, their profile and their categorisation as well as their Directorship details in other companies are found on page 14 to 16 of this Report.

#### Profiles of the Senior Management Team

The profiles of the senior management team of RHT are found on page 17 to 20 of this Report.

#### Group Company Secretary

The Group has a service agreement with Navitas Corporate Services Ltd for the provision of company secretarial services.

All Directors have direct access to the advice and services of the Company Secretary who is responsible for providing detailed guidance to the Chairperson and the Directors as to their fiduciary duties, responsibilities and powers. The Company Secretary also ensures that the Company is at all times complying with its Constitution, Terms of Reference, applicable laws, rules and regulations.

Moreover, the Group Company Secretary assists the Chairperson, the Board and Board Committees in implementing and strengthening good governance practices and processes with a view to enhancing long-term stakeholder value. The Company Secretary also administers, attends and prepares the minutes of all Board meetings, Board Committee meetings and Shareholders' meetings.

The Company Secretary is also the primary channel of communication between the Company and its Shareholders as well as the regulatory bodies.

#### Appointment and Re-Election

The responsibility of selecting a new Director forms part of the responsibility of the Corporate Governance, Nomination and Remuneration Committee and the Chairperson of the said Committee oversees the selection process.

The Corporate Governance, Nomination and Remuneration Committee makes recommendations to the Board either to fill a casual vacancy or as an addition to the existing Directors and ensures that the total number of Directors shall not at any time exceed eleven (11) Directors as stipulated in the Constitution of the Company.

The re-election of all the Directors is tabled at each Annual Meeting of Shareholders of RHT.

#### Director's Induction

RHT has a fully structured induction process to introduce a newly appointed Director to the Company's and the Group's businesses as well as the Senior Executives.

The actual induction provided to the newly appointed Director depends on the Director's experience. It thus tries to strengthen the areas in which the new Director lacks experience to be able to fully understand the business and operations of RHT.

During the period under review, no new Director has been appointed to the Board either to fill a casual vacancy or in addition to the existing Directors.

The induction programme meets the specific needs of both the Company and the newly appointed Director and enables the latter to be acquainted with and develop a good understanding of the Group.

### Professional Development

Directors and employees of the Company are encouraged to follow continuous professional development courses and training sessions to keep up to date with industry, legal and regulatory developments.

RHT ensures that the necessary resources for developing and updating its Directors' knowledge and capabilities are provided as and when required.

### Succession Planning

The Board considers its succession very carefully in its annual strategy session.

The Board has a defined succession planning policy which is applicable for the following personnel:

- Group Chief Executive Officer;
- Independent and other Non-Executive Directors on the Board;
- Senior Management Team; and
- any other positions within the organisation at the discretion of the Chairperson and Group Chief Executive Officer in consultation with the Board.

The Corporate Governance, Nomination and Remuneration Committee oversees and reviews succession plans from time to time and makes suitable recommendations to the Board.

The Committee proactively reviews the succession requirements for the Board and carries out due diligence to determine the suitability of every person who is being considered for appointment or reappointment as a Director of the Board based on their educational qualifications, experience, and track record. The proposed candidate is evaluated by the Corporate Governance, Nomination and Remuneration Committee to determine the eligibility and fit with respect to the relevant criteria as per the Companies Act 2001. Their candidature is then recommended to the Board for its consideration and approval.

The succession plan for the Senior Management Team is based on the inputs received from the Human Resources Manager and the Group CEO. The Committee periodically reviews any vacancy or probable vacancy in the Senior Management Team which may arise on account of retirement, resignation, death, removal or incapacity whether temporary or permanent or otherwise. The Board strives to fill such vacancy by internal progression subject to availability. In case no suitable candidate is available to fill the position, external candidates are considered.

In consultation with the Group CEO and the Chairperson of Corporate Governance, Nomination and Remuneration Committee, the Board evaluates the suitability of any such person based on factors such as experience, age, health, and leadership intelligence and recommends their candidature to the Board well before such vacancy arises to facilitate a smooth transition.

The Committee may also resolve to engage the services of a retired executive on a contractual or consultant basis or otherwise subject to their proven track record and their willingness to serve the organisation in such capacity.

The prevailing HR standards for promotions and/or transfers are designed in such a way that the existing or proposed senior managerial personnel gets all-round exposure in various domains to facilitate career progression, and prepare them for administrative responsibilities to discharge their functions effectively.

Members of the Senior Management Team always endeavour to add capability in-house and mentor subordinates with potential working under them to handle their responsibility in their absence by exposing these persons to all aspects of work being handled by them. In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organisation chart shall take interim charge of the position, pending a regular appointment in line with the succession plan.



## Corporate Governance Report (continued)

### Principle 4: Directors Duties, Remuneration and Performance

*Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation's information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.*

#### Legal Duties

The Directors of RHT are aware of their legal duties and responsibilities as listed in the Mauritius Companies Act 2001.

The Directors further confirm that they exercise their duties with a degree of care, skill and diligence.

#### Code of Ethics

A Group Code of Ethics has been adopted by the Board to ensure that policies, procedures and controls are in place for the business to be conducted honestly, fairly and ethically. The effectiveness and efficiency of the Group Code of Ethics are reviewed regularly by the Board of Directors to ensure that the Code of Ethics is applied at all levels.

The Code of Ethics includes the principles, norms and standards that the Group wants to promote and integrate within its corporate culture in the conduct of its activities, including internal relations, interaction and dealings with external stakeholders.

Furthermore, the Group and its employees must, at all times, comply with all applicable laws and regulations.

The Group will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Group does not permit any activity that fails to stand the closest possible public scrutiny.

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

#### Conflict of Interest

As a Public Interest Entity, RHT makes every effort to ensure that Directors declare any interest and report to the Chairperson and the Company Secretary any related party transactions. A full register of conflicts of interest is kept by the Company Secretary and updated on a regular basis; it is available to shareholders upon request.

As members of the Board, the Directors recognise that they owe a fiduciary duty of loyalty to RHT and its subsidiaries. This duty requires the Directors to avoid conflicts of interest and to act at all times in the best interests of RHT and its subsidiaries. The purpose of the conflicts of interest policy is to help inform the Board about what constitutes a conflict of interest, assist the Board in identifying and disclosing actual and potential conflicts, and help ensure the avoidance of conflicts of interest where necessary.

In their capacity as Board members, the Directors must subordinate personal, individual business, third-party, and other interests to the welfare and best interests of RHT and its subsidiaries.

All conflicts of interest are not necessarily prohibited or harmful. However, full disclosure of all actual and potential conflicts, and a determination by the disinterested Board members, with the interested Board member(s) recused from participating in debates and voting on the matter, are required.

All actual and potential conflicts of interests are disclosed by Board members to the Corporate Governance, Nomination and Remuneration Committee through the annual disclosure form and/or to the Board whenever a conflict arises. Members of the Board who are not affected determine whether a prohibited conflict exists and what subsequent action is appropriate (if any). The Chairperson of the Corporate Governance, Nomination and Remuneration Committee informs the Board of such determination and action. The Board retains the right to modify or reverse such determination and action, as well as the ultimate enforcement authority with respect to the interpretation and application of this policy.

As per the Constitution of RHT, a Director who has declared their interest may not vote on any matter relating to transaction or proposed transaction in which they are interested but are counted in the quorum present for the purpose of that decision.

#### Related Party Transactions

Please refer to Note 35 of the Financial Statements.

Both conflict of interest and related party transactions, if any, are handled in accordance with the Group Code of Ethics.

### Information, Information Technology and Information Security Governance

#### IT Policy and Related Expenditures

The Board of Directors realises that in today's technological era, it is important to have a strategic alignment of information security with business strategy in order to achieve organisational goals. As such, the Board ensures that appropriate resources are allocated for the implementation of an information and IT security framework within the organisation.

The Company is also embracing technological change and cloud hosting is used to store most of its digital information. This is part of the strategy to cater for the growth of the organisation across multiple physical locations and to ensure business continuity. Furthermore, the Company has implemented multiple security policies to ensure that data is safeguarded both within its premises as well as on the cloud, including access rights granted only to authorised personnel, password expiry and complexity policy as well as a backup process for digital information.

As part of the planning and budgeting exercise, all IT expenditures are identified. For all purchases of over MUR 500,000, the Company has set up a Tender Committee for the evaluation and selection of the most appropriate supplier for the requested services and purchases.

#### Board Information

The Chairperson, with the assistance of the Company Secretary, ensures that Directors receive all information necessary for them to perform their duties and that the Board has sufficient time for consultation and decision-making.

The Board members of RHT ensure that matters relating to the Company, learned in their capacity as Directors, are strictly confidential and private and shall not be divulged to anyone without the authority of the Board.

Besides as already mentioned on page 27 the Directors have the right to request independent professional advice at the Company's expense in cases where the directors judge it necessary.

#### Directors' and Officers' Indemnity and Insurance

A Directors' and Officers' liability insurance has been taken out at the level of the holding entity.

#### Board Evaluation and Development

Upon the recommendation of the Corporate Governance, Nomination and Remuneration Committee, the Board of Directors has approved that a Board evaluation be carried out on a regular basis, by way of a questionnaire. The Chairperson of the Board of Directors, in collaboration with the Corporate Governance, Nomination and Remuneration Committee acts thereafter on the results of the evaluation by recognising the strengths and addressing the weaknesses of the Board.

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

Furthermore, Non-Executive Directors are chosen for their business experience and acumen as well as their ability to provide a blend of knowledge, skills, objectivity, integrity, experience and commitment to the Board. These Directors are free from any business or other relationships which would materially affect their ability to exercise independent judgement and are critical observers.





## Corporate Governance Report (continued)

### Remuneration

#### Statement of Remuneration Philosophy

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

The remuneration of the Board is reviewed on a regular basis by the Corporate Governance, Nomination and Remuneration Committee before making recommendations to the Board. Remuneration of both Directors and the Senior Management Team is based on performance and effort. No Directors of RHT or its subsidiaries have received shares in lieu of remuneration.

#### Remuneration Policy

The following policy on remuneration has been adopted by the Company:

##### Introduction

Pursuant to the requirements of the Code of Corporate Governance for Mauritius, the Board of Directors of a listed company is required to define general guidelines for the company's remuneration to the Board of Directors and the Executive Management, which must be approved by the Board before a specific agreement on incentive pay with any member of the company's Board of Directors or Executive Management is entered into.

According to Recommendations on Corporate Governance, the Board of Directors should adopt a Remuneration Policy applicable to the Board of Directors and the Executive Management and that the Policy is tabled for Board approval on a regular basis. The recommendations are based on corporate governance best practices and apply to the members of the Board of Directors and Executive Management of RHT and its subsidiaries.

Any agreements between RHT or its subsidiaries and the Board of Directors or the Executive Management concerning fixed remuneration or incentive pay must be subject to this policy.

##### Board of Directors

The ordinary members of the Board of Directors receive a fixed base fee as consideration for their Board duties.

The Chairperson of the Board of Directors receives a fixed fee equalling two times the base fee received by the ordinary Board members.

In addition, the Board members may receive a fixed fee for their work on committees established by the Board of Directors and the Board members may receive separate fees for completion of specific projects, e.g. a sale of the company or material assets.

The remuneration of the Board of Directors is determined on the basis of standards in the market and reflects demands to competencies and efforts in light of the scope of their work and the number of Board meetings. Each year the general meeting approves the fees payable to the Board of Directors.

##### Executive Management

###### Fixed Salary

The aim of paying a fixed salary is to attract and retain the best-qualified candidates at the Executive Management level. The elements of the fixed remuneration are determined based on market standards and the Company's specific needs from time to time. As a part of the fixed salary, the Company may offer other standard benefits, such as a company car scheme and free telephone.

The Board of Directors and Executive Management evaluate the fixed salary annually based on the results from the previous period and with due consideration to the trend in market standards.

###### Incentive Pay

To create alignment of interests between the Executive Management and the Company's shareholders and to consider both short- and long-term targets, RHT considers it expedient to set up incentive plans for the members of its Executive Management. Such incentive plans may consist of warrants and non-share-based bonus agreements, which may be continuous, one-off and event based.

The Board of Directors may enter into agreements with the Executive Management about cash bonus plans. Cash bonus plans consist of a maximum bonus fixed annually which the Executive Management will receive if all targets for the relevant year are met. The maximum cash bonus shall be equivalent to up to 200% of the fixed salary of each member of the Executive Management.

The payment of a bonus depends on whether the conditions and targets defined in the agreement have been fully or partly met. These may be personal targets related to the performance of the individual member of the Executive Management or the performance of RHT or its subsidiaries. In exceptional cases, other agreements that may lead to the payment of a bonus of up to one year's fixed salary may be made. Such agreements are typically expected to be made so as to take effect upon the occurrence of a specific event, for instance the acquisition of a controlling interest in the company, the completion of a project, the continuing employment of the Executive Management until a specific point in time, defined either as a date or a period after the occurrence of a specific event.

#### Change and Phase-Out of Incentive Plan

The Board of Directors may change or phase out one or more incentive plans introduced pursuant to this policy. In the evaluation of whether this should be done, the criteria that formed the basis of the establishment of the plan will be taken into account. However, such changes can only be made within the framework of this policy. More extensive changes must be approved by the shareholders.

The total fees earned under the review year by Directors in their capacity as Board members are listed on page 55 of the Report.

#### Directors' Dealing in the Shares of RHT

The Directors of RHT are aware of their responsibilities to disclose any acquisition or disposal of the Company's shares in accordance with the Securities Act 2005 and the DEM Rules of the Stock Exchange of Mauritius Ltd.

In accordance with the DEM Rules, Directors are strictly prohibited to deal in the shares of the Company during closed periods.

#### Interest of Directors in the Shares of the Company

Written records of the interests of the Directors and their closely related parties in shares of RHT are kept in a Register of Directors' Interests.

Accordingly, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, this should be reported to the Company in writing. The Company Secretary then ensures that the Register of Interests is updated accordingly.

The direct and indirect interests of the Directors and of the Senior Management Team who hold shares in RHT are disclosed in the table below:

Name of Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Paul Chung Kim Fung AH LEUNG	5,000	0.0411		
Sidharth SHARMA	444,565	3.6553	30,500	0.25
Meha DESAI	540,660	4.4454		
Ravindra GOBURDHUN	5,020	0.0413		
Uday Kumar GUJADHUR	-	-		
Yoosuf Mohammad KUREEMAN	224,689	1.8474		
Gilbert Patrick Stephane LEAL	215,850	1.7748	135,000	1.1
Kamil PATEL	-	-		

None of the Directors held any interest in the share capital of subsidiaries of the Company.

#### Directors' Transactions in RHT Shares during the Year

Name of Directors	Number of Shares Bought/Acquired	Number of Shares Sold
Sidharth Sharma	400	

## Corporate Governance Report (continued)

### Principle 5: Risk Governance and Internal Control

*The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.*

The Board of RHT assumes its responsibilities in maintaining an effective system for risk governance and ensures that the Company develops and executes a comprehensive and robust system of risk management.

The Directors are committed to a strong risk management culture. The Group Chief Executive Officer has the main responsibility of risk management and works with the Senior Management team to effectively perform his duties.

Moreover, all companies within the Group have established a Risk Management Register to ascertain that risks are systematically identified and mitigated so as to minimise the potential impact on information resources.

### Audit and Risk Committee Report

Dear Shareholder and Valued Partner

As Chairperson of the Audit and Risk Committee, I am pleased to present this report for the financial year ended 30 June 2020, which details the roles and responsibilities of the Committee and the work carried out during the year. I trust that it will be valuable to shareholders and stakeholders in appreciating the fulfilment of the Committee's objectives.

The Committee has continued to play a key oversight role for the Board by placing significant emphasis on sustaining the standard of the financial reporting process, as well as assessing Management's judgement on major accounting treatments and the work carried out by third parties. We have placed significant focus on safeguarding the effectiveness and independence of the internal and external audit processes in considering a number of business challenges from the Company's perspective.

In the second part of the year due to the COVID-19 pandemic, each subsidiary submitted an adapted risk report to the Committee which was monitored on a quarterly basis.

The Audit and Risk Committee continues to review closely any control failures identified in internal audit reports or otherwise and monitors the progress on Management's and any subsidiary's implementation of recommendations and action plans. Where required, the Senior Management Team is welcome to give an insight into challenges faced and the strategies used to manage those risks.

This year the Board with the support of the Audit and Risk Committee has focused on improving its internal and external controls. As our internal auditor, PWC has been giving quarterly feedback to the Committee.

The implementation of Management's recommendations is followed closely by the Audit and Risk Committee.

BDO & Co. in their second year as auditors have been updating us constantly on their work as external auditor, which has proceeded smoothly.

The Committee met five (5) times during the year under review. The minutes of proceedings are available to the Board to keep the Directors fully apprised of the activities of the Committee.

The highlights for the financial year ended 30 June 2020 were as follows:

#### Financial Reporting

- Review quarterly reporting.
- Review the Annual Report 2020.
- Take note and analyse the Group's performance and position.
- Take note of the abridged audited financial statements.
- Recommend the adoption of such statements to the Board of Directors prior to publication and filing.
- Review significant matters and judgements including the valuation of investment properties.
- Take note of the litigation registers for the Group and possible financial impact.
- Identify, interview and recommend the appointment of new external auditors.

#### External Audit

- Assess the effectiveness and performance of external auditors and their continuing independence with regard to audit and non-audit services.
- Take note of updated accounting policies following recent changes in IFRS requirements and impact on the financial statements of RHT Holding Ltd.
- Take note of interim financial reports issued.

#### Health & Safety

- Ensure that the health, safety and environmental risk identification processes lead to sound management strategies within the various activities of RHT Holding Ltd.
- Take note of the consolidated health and safety report (OSH cover and major issues in RHT Holding Ltd and subsidiaries).
- Take note of legal proceedings.

#### Risk Governance and Internal Controls

- Ensure the roles and functions of the external and internal audits are clarified, coordinated and effectively carried out.
- Ensure the highest standards of behaviour within the Company and its subsidiaries.
- Evaluate effectiveness of the internal control and risk management system.

Based on the activities carried out, the Audit and Risk Committee believes that there were no material shortcomings in the design and effectiveness of internal controls, governance and risk management during the year. The Committee discharged its responsibilities according to its mandate. Looking ahead, we will remain focused on the audit, assurance and risk processes across the Group and its subsidiaries and maintain oversight of financial, environmental and other regulatory requirements.

On behalf of the Audit and Risk Committee and in my personal name, I wish to thank the GCEO and Management Team, our external auditors, the internal audit team and Committee members for their contributions to the discharge of our duties and responsibilities.

On behalf of the Committee



**Kamil Patel**  
Chairperson  
Audit and Risk Committee





# Corporate Governance Report (continued)

## Internal Audit

The internal audit function is performed by PwC.

The Internal Audit is responsible for the independent review of the Group's risk management and control environment. Its objective is to provide reliable, valued and timely assurance to the Board, the Audit and Risk Committee, and the Executive Management over the effectiveness of controls, mitigating current and evolving high risks and in so doing enhancing the controls culture and adding value within the Group's activities.

In particular, the Internal Audit assists the Executive Management by carrying out independent assessment and appraisals of the effectiveness of the internal control environment and makes value added recommendations for improvement, and supports the Group's strategies, objectives and business management policies.

The Audit and Risk Committee approves the Internal Audit's programme and resources, reviews and discusses major audit findings together with management responses and evaluates the effectiveness of Internal Audit.

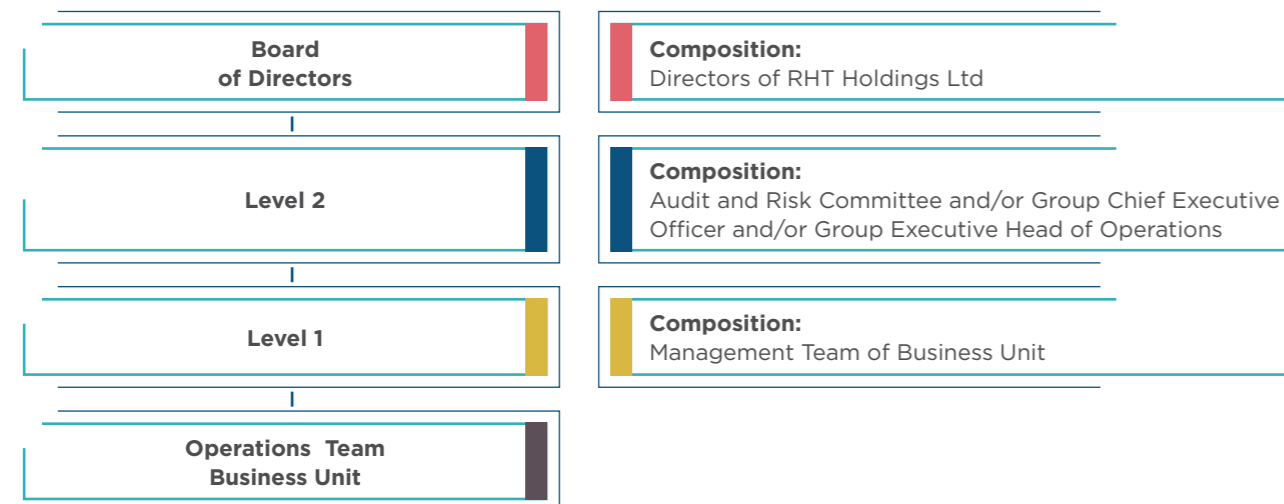
The audit assignments carried out by PwC for the year under review were:

- Human Resource - RHT Group
- Financial Closure - RHT Group
- Cashflow management - RHT Group
- Workshop operations - RHT Bus Services Ltd

The audit reports were presented respectively at the Audit and Risk Committees meetings and a number of recommendations have been made and agreed by management to strengthen existing controls.

The Audit and Risk Committee and the Directors oversee risk management. The Board aims at ensuring that risks faced are effectively identified, assessed, monitored and managed at acceptable levels in order to improve the risk-return profile of its shareholders.

To achieve this aim, RHT has put in place an organisational structure with clear lines of responsibilities to mitigate risks, as shown below.



Some of the most important risks to which the Company is exposed are defined hereunder:

**Financial risks** – These risks, including currency risks, interest rate risks and price risks, are reported on pages 78 to 85 of the Financial Statements.

**Legal and regulatory risks** – These risks arise out the inability to comply with policies, laws and regulatory requirements.

**Operational risk** – These risks are defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events.

**Strategic risks and business risks** – These risks arise due to inappropriate business decisions or inadequate future business strategies in relation to the operating environment. The risk is usually caused by inflexible cost structures, changes in the business environment, Government or international regulatory decisions.

Risk Category	Risk	Level 1	Level 2
<b>Financial</b>	Risk of failing to maintain adequate liquidity levels resulting in group company subsidiaries being unable to meet their obligations as they fall due.	<ul style="list-style-type: none"> <li>• Regular monitoring of cashflow via the review of cashflow forecast and reporting cashflow requirements to executive officers to assist in securing facilities.</li> <li>• Review covenants of financial arrangements with financial institutions and report looming deadlines to executive officers.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess request for funding and where relevant, recommend for approval to Board of Directors.</li> <li>• Share approval of Board of Directors with Management Team to arrange for funding.</li> </ul>
<b>Legal and regulatory</b>	Risk of incurring financial and non-financial loss due to failure to comply with legal requirements.	<ul style="list-style-type: none"> <li>• Review of compliance with statutory requirements.</li> <li>• Take note of new statutory requirements from announcements by relevant authorities and notification from the Company Secretary.</li> <li>• Report to executive officers any notice of failure to comply with statutory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess impact of failure to comply with statutory requirements.</li> <li>• Update Audit and Risk Committee on defaults so that remedial action can be taken via Internal Audit exercise or via audit to be performed by legal firms to assess compliance with applicable legislation.</li> <li>• Share recommendations of Audit and Risk Committee with Management Team to implement remedial action.</li> </ul>
<b>Operational</b>	Risk of procedures not being followed with the effect of causing financial and non-financial loss to the business unit.	<ul style="list-style-type: none"> <li>• Ensure that set procedures are complied with.</li> <li>• Report material departures to the Audit and Risk Committee.</li> <li>• Comply with HR policies with regards to sanctions applicable to departure from contractual agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• Assess the financial and non-financial impact of the reported departure.</li> <li>• Request Internal Auditor to investigate the matter and report on findings.</li> <li>• Report the findings to the Board of Directors.</li> <li>• Report decision of the Board of Directors to Management Team for implementation.</li> </ul>
<b>Strategic and Business</b>	Risks of not meeting targeted results and missing business opportunities.	<ul style="list-style-type: none"> <li>• Regular meetings with operational teams and monitoring of performance of business units via the review of monthly reporting.</li> <li>• Prepare working papers to update executive officers on potential new business avenues.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting Management Teams at regular intervals as well as reviewing the reporting produced to assess the performance of the business unit.</li> <li>• Make recommendations to Board of Directors about new business opportunities and arrange for facilitators and resources to explore new business avenues.</li> </ul>

## Whistle-Blowing Policy

In order to ensure that RHT is fully protected against bribery and or corruption, the Board has constituted an Ethics Committee. Information about its composition and terms of reference is available on request.

## Corporate Governance Report (continued)

### Principle 6: Reporting with Integrity

*The Board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.*

The Directors of RHT affirm their responsibilities for preparing the Annual Report and Financial Statements of the Company.

The Board also considers that the Annual Report and Financial Statements of the Company, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders and other key stakeholders to assess the position, performance and outlook of RHT.

Please refer to the Statement of Directors' Responsibilities found on page 52 of this Annual Report.

### Sustainability Reporting

RHT has continued the drive towards sustainability in all operations, the primary focus being on our main and most environmentally impactful business line, bus services.

RHT Bus Services Ltd ('RHT BS') has been and always will be a positive respondent to environmental protection. While helping reduce energy consumption through green products, we also focus on reducing the direct impact of our operations on the environment. By introducing an energy management system, promoting the replacement of traditional energy with renewable energy and saving energy through technical and management means, RHT BS continues to reduce its own energy consumption and carbon dioxide emissions.

Since 2019, RHT BS has continued to strengthen the implementation of energy-saving and emission-reduction targets, and conducted technological transformation and equipment upgrades. Furthermore, RHT BS actively takes part in various types of activities organized by the environmental protection authorities, carries out environmental impact assessments and is subject to regular inspections by the relevant governmental departments.

#### Lower CO<sub>2</sub> Emissions

The Euro IV buses and the O2 EV buses (Zero emission buses or ZEBs) have continued to contribute to lower CO<sub>2</sub> emissions. While yielding an average consumption of 75 kWh per km operated, the two ZEBs consume an average of 250 kWh daily, while the PV contributes to almost 19% of what is being consumed. Furthermore, these ZEB further ensure a low operating cost and decrease in waste such as disposal of oil and wear and tear materials such that on every cycle of 10,000 kms, approximately 30 litres of engine oil are saved.

#### Kilometres per Litre (Kmpl)

A close monitoring of the maintenance scheduling, along with the constant monitoring of variables such as fuel efficiency and tyre pressure, as well as the driving habits of our drivers, has enabled us to observe a slight improvement in the KMPL values of most of the bus models of the RHT BS fleet. Moreover, this has enabled us to reduce the emission of black smoke, such that none of our buses have been fined for black smoke emission.

#### Renewable Clean Energy

##### Electricity and Water Conservation

###### Energy Consumption

RHT monitors closely the monthly electrical consumption which continues to decrease. Highly efficient Solar LED lights are now used for the lightning of the Depot, instead of the traditional halogen lights. Furthermore, all fluorescent tube lights in all offices have been replaced by LED lights.



##### Contribution to The Water Table - Rainwater Harvesting

All rainwater from the covered sheds in the workshop is channelled to two water tanks, one of 5,000 litres and the other of 15,000 litres capacity, thus reducing of the use of potable water in our maintenance and repair activities.

##### Water efficient fixtures

###### Automatic Bus Washing Machine

RHT BS, with the support of TOTAL (Mauritius) Ltd, has installed an automatic bus washing machine where all water used for the washing of buses is recycled for reuse. While the traditional washing consumes approximately 1000 litres of water per bus, the bus washing machine consumes only 180 to 220 litres, thus representing a drop of about 78% consumption per bus.

### Wastewater and Waste Management

Monitoring is carried out at the wastewater outfalls of all production sites in accordance with emission standards. Any excessive emissions are analysed to find the cause and corrective measures are taken in a timely manner.

#### Monitoring of Effluent Discharge

Cleaning activities are carried out in a designated area to ensure that there is no water table contamination. A monthly analysis of all effluent discharge monitors any deviation from the norms as established by the Waste Water Authority.

#### Water Treatment Plant

A stand-alone water treatment machine with the following technical specifications has been installed:

- No recurring consumption of chemical products
- No production of carcinogenic sludge
- Zero discharge, as all water is recycled

The treatment cycle consists of the following stages:

- Sedimentation
- Oil separation
- Biological oxidation
- Purification
- Treated water tank
- Aeration
- Recycling treated water

The system biophysically treats waste wash water. In order to preserve the quality of the water sent back for reuse, air is blown into the storage tank of water to be treated and that of treated water. This is to prevent the setting in of any anaerobic process that would give rise to degradation phenomena, together with the formation of bad and unpleasant odours.

#### Supply Chains

As part of our sustained effort to go paperless, we have also requested all our business partners such as our service providers and suppliers to go paperless through the use of electronic purchase orders and e-invoices. Furthermore, we have also requested that all supplies should be delivered without any plastic packaging.

#### Current Recycling Programme through Approved Service Providers

The following waste materials are disposed of through approved service providers:

- End of service life batteries
- PET bottles
- Scrap metals
- Used oil



## Corporate Governance Report (continued)

### Human Resources

The Board and Management acknowledge that our people are critical to the success of our business. For the year under review our strategy with regard to Human Capital was mainly focused on the following areas.

#### Remuneration Programme

The current remuneration and compensation practices throughout the Group are under review with the aim of adopting a more strategic and market-based approach that will enable the Group to attract and retain the required talents to sustain its continued diversification and expansion. Establishing a common framework for compensation practices and performance management evaluation will help develop predictable pay practices that in turn will drive internal credibility and so increase the level of talent retention throughout the Group.

#### Organizational Structure

The organisational structure is also under review to ensure the proper support to the Group strategy. The aim is to foster cross-functional collaboration within the Group and attract more agile and innovative talents capable of driving the Group forward towards a broader and more diversified operational base.

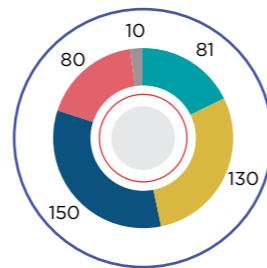
#### Operational Statistics for the Year Under Review

##### Turnover

Company	No. of Recruits	No. of Exits
RHT Bus Services Ltd.	70	53
RHT Holding Ltd.	2	5
RHT Properties Ltd.	3	0
MyChauffeur Ltd.	3	6
Advance Institute of Motoring Ltd.	3	2
Island Communications Ltd.	6	4
FleetPro Services Ltd.	7	11
Transport and Micropayment System Ltd.	0	6

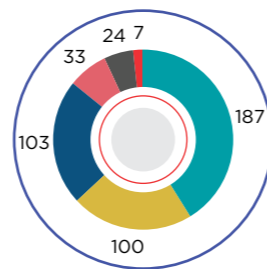
##### Age Group

Age Group	No. of Employees
20-30	81
31-41	130
42-52	150
53-63	80
64-74	10



##### Years of Service

Years in Service	No. of Employees
<5	187
<10	100
<20	103
<30	33
<40	24
<50	7



##### Gender Ratio

Company	Male	Female	Ratio: Male to Female
RHT Bus Services Ltd.	328	49	328:49
RHT Holding Ltd.	12	14	6:7
RHT Properties Ltd.	3	1	3:1
MyChauffeur Ltd.	10	3	10:3
Advance Institute of Motoring Ltd.	4	0	4:0
Island Communications Ltd.	9	19	9:19
FleetPro Services Ltd.	15	4	15:4
Transport and Micropayment System Ltd.	4	1	4:1
RHT Investment Ltd.	1	0	1:0
RHT Group	386	91	386:91

#### Training and Development

Training our people in the required knowledge and skills is crucial to the successful implementation of the Group's overall diversification and expansion strategy, as well as ensuring the proper running of the daily operations. Unfortunately, in the aftermath of the lockdown due to the COVID-19 pandemic, training activities have had to be suspended. Prior to the lockdown several inhouse training activities were organised, of which the main ones are listed below.

Company	Topic	Purpose	Month
RHT Holding Ltd.	Time & Attendance	Payroll processing	July 2019
RHT Bus Services Ltd.	Workers' Rights Act 2019	Understanding the financial impact on employees	November 2019
RHT Holding Ltd.	Workers' Rights Act 2019	Understanding the financial impact on employees	November 2019
Island Communications Ltd.	Strategic Thinking	Enhancing strategic thinking	January 2020





# Corporate Governance Report (continued)

## Health and Safety

### Safety Policy Statement

RHT reasserts unequivocally its strong commitment to providing the right environment for the health, safety and welfare of our employees, customers and other stakeholders who have access to our premises and services. To this end, RHT abides by the Occupational Safety and Health Act 2005 (updated 2013) general rules and regulations governing health, safety, welfare and environmental issues.

The RHT Management is thus responsible for the development of a safety culture, the continuous improvement in safety standards and the implementation of safe work practices. Our overriding concern is to minimise any adverse effect of our operations on the environment and on the health, safety and welfare of our employees and the community in which we operate.

In line with the above, we undertake to:

- ensure compliance with all relevant occupational safety and health legislation;
- provide adequate information, training, and supervision on safety and health;
- encourage the participation of all stakeholders in all elements of the Company's system;
- ensure an alcohol- and drug-free workplace;
- maintain a safe working environment and safe plant and systems;
- design safe work practices through accident analysis and implementation of preventive actions to ensure that safety is fully integrated in all our processes;
- set up an emergency response plan;
- consult stakeholders on a regular basis; and
- integrate safety and health considerations into decision-making.

Reciprocally, our employees have not only the right to a safe working environment but also the duty to contribute to the overall objective of zero accident by:

- constantly adopting a safe attitude and behaviour in all their actions;
- taking care of their own safety and health and that of other persons who may be affected by their acts or omissions at work;
- making use of their protective equipment or clothing and reporting destruction or other defects thereof; and
- co-operating with the Management in the implementation of safety measures.

### Review and upgrading of Health and Safety policy and procedures at RHT Bus Services Ltd

A health and safety audit was carried out in February 2020 at RHT Bus Services Ltd (RHT BS) to identify our level of compliance with the Occupational Safety and Health Act (OSHA) 2005. A corrective action plan has since been developed and is now monitored on a weekly basis to ensure key issues are addressed promptly. A risk assessment procedure has also been put in place for all operations at RHT BS. Consequently, a new Health and Safety Policy has been developed and adopted, together with a corresponding Health and Safety Framework, as shown in the table below.

RHT Health and Safety Framework				
Compliance	Risk Management	Management Commitment & Leadership	Training & Competency Development	Emergency Preparedness
<ul style="list-style-type: none"> <li>• Ensure compliance with legal provisions.</li> <li>• Implement best practices to support business efficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a systematic approach for the identification, assessment, control and review of all significant health and safety hazards and risks in all operations within the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Reinforce management commitment and ownership to lead changes required to support a sustainable health and safety environment and develop a health and safety culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase awareness and improve the level of competencies within the Company with respect to health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop capacity building and resilience with respect to potential health, safety and environmental (HSE) incidents.</li> </ul>

The composition of the Safety and Health Committee at RHT BS has also been revised to ensure that all departments are represented and thus all employee and employer concerns are discussed and addressed effectively. The committee meets every two months as per the requirements of the OSHA 2005.

A health and safety manual for RHT BS is currently in development with the aim of being a comprehensive source of information for all health and safety aspects relevant to RHT BS operations.

A new Safety and Health Officer has been recruited on a part time basis primarily for RHT BS, but he will also oversee Island Communications Ltd, FleetPro Services Ltd and Advance Institute of Motoring Ltd.

### Emergency response protocols

Our emergency response protocols have been revised, and 16 emergency wardens have been nominated across the RHT Group. They will receive training on all aspects of emergency preparedness, including first aid, fire safety, fire evacuation and firefighting. A first training programme on emergency preparedness` was delivered in September 2020. The programme covered the basic principles of fire safety, fire evacuation and firefighting. The aim was to enable these emergency personnel to acquire the knowledge and develop the specific skills needed to deal with a fire emergency. The participants were given an initial theoretical training on the principles of fire safety and fire evacuation, followed by a practical session on firefighting using the appropriate specialized equipment.

### The COVID-19 pandemic: prevention measures at RHT BS

The outbreak of the COVID-19 pandemic has significantly impacted business and people throughout the world. As an essential service provider, the challenge of coping with the virus has been particularly acute. Our customer centric values, in particular our overriding concern to safeguard our customers' health, have enabled us to quickly adapt to this new and challenging context. We have implemented a comprehensive awareness and prevention campaign for all our employees, together with an enhanced cleaning and disinfection process for our buses and offices to ensure that our services and premises are kept as safe as possible for both our customers and employees.

#### 1. Sanitary measures in buses

- All buses are thoroughly disinfected daily after the working shifts to ensure that they are ready and safe for passengers and our employees the next day.
- Throughout the day, all high touch surfaces such as holding bars and seats are disinfected with alcohol after each trip.

- The seating arrangement has been modified to allow for social distancing between passengers.
- All bus conductors and drivers have been provided with face masks and hand sanitizers.
- COVID-19 posters have placed in all buses to raise passenger awareness.

#### 2. Office access

- Employees who have flu or COVID-19 symptoms are advised not to come to the office.
- Temperature monitoring is carried out at the office entrance to filter out any potential cases of flu or COVID-19. Any person with temperature 37.5° C and above is not granted access to our offices.
- All persons accessing our premises are required to wear a face mask.

#### 3. Cleaning and hygiene in the office

- A new cleaning regime has been implemented in the office premises. The frequency of cleaning and disinfection of high touch surfaces (door handles, workstations, phones, tabletops, kitchen appliances, etc.) throughout the day has been increased.
- All employees have been provided with face masks.
- Hand sanitizers are provided in all our offices for hand hygiene.
- Posters to raise awareness about hygiene for all employees have been put up throughout the office.

#### 4. Social Distancing

- The office layout has been modified to allow for social distancing.
- Face to face meetings have been strongly discouraged. Meetings have been held using Microsoft Teams.





## Corporate Governance Report (continued)

### 5. Illness in office

- An isolation room has been identified in case we have a suspected case of COVID-19 at the office.
- An internal escalation process on how to manage these cases when identified has been defined.

### 6. Employee Awareness

- Awareness sessions on the COVID-19 pandemic and the necessary precautionary measures have been held for the employees.

### 7. Testing

- Being on the frontline and exposed to the public, our bus conductors and drivers have all undergone a COVID-19 screening using the Rapid Antigen Test. This was a result of the collaboration between RHT BS and the Ministry of Health and Wellness. No employee has tested positive.

## Social Report

The FY 2019/2020 has been an exceptionally eventful year on many fronts and levels of activity, starting with the General Elections in 2019. With respect to our Group's activities, our main subsidiary, RHT BS, has had to weather a succession of events that are disrupting not only its daily activities, but also the entire transport industry in Mauritius, notably:

- The going live of the Metro Express
- The introduction, and subsequent ending, of the Feeder Bus Service
- The COVID-19 lockdown

### Townhall Meeting – 19 July 2020

All these events made it necessary for the management to hold a townhall meeting on 19 July 2020, at which the management could communicate in full transparency to the employees. At the same time, the employees could ask questions and provide feedback back on their experience of these events.

### Employees of the Quarter

The townhall event started with the Employee of the Quarter ceremony, which aimed to recognise the best performing employees in the following categories:

- Drivers
- Conductors
- Traffic Officers
- Mechanics
- Security Guards
- Cleaners
- Relief Workers

### Special Recognition

There was also a special recognition award for those who had showed special devotion to the company during the COVID-19 lockdown. The special recognitions were awarded to:

- Devarajen Adiapien
- Atish Apaya
- Kemal Aukbarally
- Ashwin Ramchurn
- Heenderaj Teeluck

### Special Address by the Group Chief Executive Officer

Finally, there was the special address of the Group Chief Executive Officer (GCEO), Dr Sidharth Sharma, to the employees. The GCEO mentioned that the government had yet to come with measures to assist companies which have been impacted by the introduction of the Metro Express. It was also made clear to the employees that after the COVID-19 lockdown, the world was now a different place and there was now a 'new normal'. This new normal will require all companies to re-invent themselves and all employees will be required to be more creative, innovative and more dedicated so that their companies will be able to survive and thrive for the benefit of all their stakeholders. RHT BS, as well as the other Group subsidiaries, will thus have no choice but to embrace this new normal.



## Corporate Social Responsibility (“CSR”)

RHT recognises its social responsibility within the community and is committed to contributing to its welfare by undertaking various projects.

For the year under review, the CSR contribution was made at Group level through RHT's subsidiaries and amounted to MUR 178,404 (2019: MUR 199,874).

## Charitable and Political Contributions

The Company donated food boxes to families who were affected during the COVID-19 pandemic.

No political donations were made during the year under review (2019: Nil).

## Suppliers

As part of RHT's ongoing commitment to providing all its stakeholders with quality services, the annual Supplier Relation Management meeting was held on 7 August 2020. This initiative has been instrumental in developing bilateral trust-based relationships between RHT and its various suppliers since it is based on the essentially dynamic nature of the supply chain as a transactional and functional process. The overall objective is to develop and implement mutually efficient supply chain relationships while urging the suppliers to collaborate in achieving the specific objectives concerning the performance of the supply chain process. This privileged relationship with our suppliers has helped to not only considerably reduce uncertainty and improve communication, but also foster loyalty and establish a common vision. This year the use of information technology to support the process was enhanced with the introduction of virtual meetings hosted through the Microsoft Teams application as part of the tendering process.

Specific suppliers were thanked for their unfailing support and commitment during the COVID-19 confinement period of March to May 2020. RHT, being classified as an essential service provider, had been very dependent on these suppliers for the day to day running of the transport operations during that time.

As from the start of the FY 2020-2021, the Group's procurement policies have integrated several cost-saving and environmental friendly measures, namely, zero plastic bags for any delivery of items, E-tendering for some specific items and the centralisation of all queries and documents on a specific email address, finance@rht.mu.

## Sponsorship

RHT offered bus services free of charge to:

- The Rose Hill Rotary Club and various senior citizens associations in the Rose Hill area for outings organised for senior citizens resident in the town.
- The Ministry of Environment to transport volunteers to Blue Bay Beach for the cleaning operation following the oil spillage caused by the MV Wakashio on 7 and 12 August 2020.

RHT also sponsored the AfrAsia Foundation for the following projects:

- AfrAsia School and AfrAsia Golf Academy programme targeting children living in underprivileged and vulnerable areas of Mauritius.
- Delivery of Easter food packs to some needy inhabitants of Trefles and Plaisance.

## Corporate Governance Report (continued)

### Principle 7: Audit

Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's internal and external auditors.

Please refer to page 27 and 28 on the role of the Audit and Risk Committee.

### External Audit

BDO & Co. Ltd have been the External Auditors of the Company since 23 August 2019.

The Audit Committee has assessed the effectiveness and performance of the External Auditors and their continuing independence with regard to audit and non-audit services.

The Audit and Risk Committee has regularly met the External Auditors in the presence of Management. However, it was considered that this would not have any impact on the objectivity of the meetings.

The Audit and Risk Committee has discussed the significant audit issues in relation to the financial statements and these have been disclosed as Key Audit Matters on page 56 and 57.

### Information on Non-Audit Services

The Company has appointed BDO Financial Services Ltd for tax compliance and other services. The fees charged for this service amounted to MUR 200,000 for the year ended 30 June 2020.

### Principle 8: Relations with Shareholders and Other Key Stakeholders

The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.

### Shareholders' Agreement

The Board has no knowledge of any such agreement entered by the shareholders.

### Employee Share Option Plan

The Group has no Employee Share Option Plan.

### Third Party Management Agreement

Save and except for management contracts between RHT and its subsidiaries, there was no agreement between third parties and the Company or its subsidiaries during the year under review.

### Shareholders and Stakeholders Communication

The Board of Directors places great importance on transparency and optimal disclosure to shareholders and hence ensures that shareholders are kept informed on matters affecting the Group.

To this end, the website of RHT has been redesigned and relaunched. It will be reviewed and augmented regularly to provide maximum information to both our business partners and our shareholders.

Shareholders are also invited to attend the Company's Annual Meeting, which remains the ideal forum for discussions with the Directors and the Management team.

The Chairperson, Chief Executive Officer and other Board members attend the Annual Meeting and invite Shareholders to put questions on different aspects of the Company's activities and directions the business will take in the future.

The Annual Report is sent to each shareholder of the Company at least 14 days before the meeting. However, pursuant to the amendments made to the Companies Act 2001, the Notice of the Annual Meeting of shareholders is sent to each shareholder of the Company at least 21 days before the meeting.

The Group continuously engages with its stakeholders to understand their priorities and concerns through benchmarking, sector meetings, client surveys and direct contacts.

### Timetable of Important Events

Months	Events
December 2020	Interim dividend for financial year 2020/2021*
December 2020	Annual Meeting of Shareholders
June 2021	Financial year end
June 2021	Final dividend for financial year 2020/2021*

\* Subject to the approval of the Board of Directors

**Paul C.K.F Ah Leung**

Chairperson

Date: 26 November 2020

**Dr Sidharth Sharma**

Group Chief Executive Officer





# Secretary's Certificate

for the year ended 30 June 2020

In our capacity as Company Secretary, we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended June 30, 2020, all such returns as are required of the Company under the Mauritius Companies Act 2001.

**Navitas Corporate Services Ltd**  
Secretary

**Registered office:**

Navitas House  
Robinson Road  
Floréal  
Republic of Mauritius

**Date: 26 November 2020**

# Statement of Compliance Under Section 75(6) of the Financial Reporting Act 2004

We, the directors of RHT Holding Ltd, confirm that to the best of our knowledge, that the Company has complied with all its obligations and requirements under the principles of the National Code of Corporate Governance for Mauritius (2016).

**SIGNED BY:**

**Chairman**

**DATE: 26 November 2020**

**Director**

# Statement of Compliance

for the year ended 30 June 2020

## Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year, the results of its operations and the cash flows for the year and which comply with International Financial Reporting Standard (IFRS), International Accounting Standards and the Companies Act;
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented. The Directors report that:

- (i) adequate accounting records and an effective system of internal control and risk management have been maintained while an internal audit function has been established;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified in the interest of fair presentation; and
- (iv) the National Code of Corporate Governance for Mauritius (2016) has been adhered to in all material aspects.

On Behalf of the Board

Chairman

Date : 26 November 2020

Director





# Statutory Disclosures

for the year ended 30 June 2020

The Board of Directors of RHT Holding Ltd ('RHT' or the 'Company') is pleased to present the Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group" for the year ended 30 June 2020.

## Nature of Business

RHT Holding Ltd is a public company, incorporated in the Republic of Mauritius and listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd. Its registered office is situated at 32 (ex. 14) Hugnin Street, Rose Hill, Republic of Mauritius.

The activity of the Company is an investment holding company. The activities of the subsidiaries are disclosed in Note 8 of the financial statements.

## Directors

The Directors of the Company for the year under review are:

Paul Chung Kim Fung AH LEUNG – *Chairperson and Independent Non-Executive Director*

Sidharth SHARMA – *Group CEO and Executive Director*

Meha DESAI – *Non-Executive Director*

Ravindra GOBURDHUN – *Executive Director*

Uday Kumar GUJADHUR – *Independent Non-Executive Director*

Yoosuf Mohammad KUREEMAN – *Non-Executive Director*

Gilbert Patrick Stephane LEAL – *Non-Executive Director*

Michel Patrice LEAL – *(Alternate to Gilbert Patrick Stephane LEAL)*

Kamil PATEL – *Independent Non-Executive Director*

Van Man SIN KWOK WONG – *Non-Executive Director (up to 18 December 2019)*

The list of Directors of the subsidiaries is disclosed on page 24.

## Directors' Service Contract

During the year under review, Dr. Sidharth SHARMA and Mr. Ravindra GOBURDHUN have a service contract with the Company with no expiry date.

## Contracts of Significance

There were no contracts of significance subsisting during the period to which the Company or its subsidiaries was a party and in which a director was materially interested either directly or indirectly.

## Directors' Share Interests

The Directors' direct and indirect interests in the stated capital of the Company or its subsidiaries are detailed in the Corporate Governance Report.

## Directors' Remuneration and Benefits

Remuneration and benefits received or due and receivable from the Company and its subsidiaries were as follows:

Name	Independent & Non-Executive Directors MUR	Executive Directors MUR	Total MUR
Paul Chung Kim Fung AH Leung	555,000		555,000
Meha Desai	317,417		317,417
Uday Kumar Gujadhur	410,500		410,500
Yoosuf Mohammad Kureeman	579,819		579,819
Gilbert Patrick Stephane Leal	542,834		542,834
Kamil Patel	506,500		506,500
Van Man Sin Kwok Wong	230,709		230,709
Sidharth Sharma		4,722,732	4,722,732
Ravindra Goburdhun		966,672	966,672
	<b>3,142,779</b>	<b>5,689,404</b>	<b>8,832,183</b>

None of the Directors received any remuneration and benefits from the other subsidiaries of the Company.

Donations	The Group		The Company	
	2020 MUR'000	2019 MUR'000	2020 MUR'000	2019 MUR'000
Donations made during the year	31.5	-	-	-

## Auditors' Fees

The fees paid to the Auditors, BDO & Co for audit and other services were:

	The Group		The Company	
	2020 MUR'000	2019 MUR'000	2020 MUR'000	2019 MUR'000
Audit fees	1,780	1,739	462	450
Other services:	200	345	15	15
	<b>1,980</b>	<b>2,084</b>	<b>477</b>	<b>465</b>

Approved by the Board of Directors on 26 November 2020 and signed on its behalf by:

**Paul C.K.F AH LEUNG**  
Chairperson

**Dr Sidharth SHARMA**  
Group Chief Executive Officer



# Independent Auditor's Report

## To the Shareholders of RHT Holding Ltd

### Report on the audit of the Financial Statements

#### Opinion

We have audited the consolidated financial statements of RHT Holding Ltd (the Group), and the Company's separate financial statements on pages 60 to 123 which comprise the statements of financial position as at June 30, 2020, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 60 to 123 give a true and fair view of the financial position of the Group and of the Company as at June 30, 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty related to Going Concern

On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation causing extensive disruptions to business operations around the globe, impacting significantly on valuation of investments and the corresponding dividend income for the Group and the Company. We draw attention to note 39 in the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1. Cash Receipts

##### Key Audit Matter

Group revenue is mainly made up of Bus Operations. More than 55% of revenue is in the form of cash collected directly from end customers, which is handled by employees before being banked on a daily basis.

Therefore, there is an inherent risk of misappropriation and fraud with regards to handling of cash. There is a high risk that revenue is materially misstated as it is measured by cash collection.

We have therefore considered Group Revenue as a Key Audit Matter.

##### Related Disclosures

Refer to note 24 of the accompanying financial statements.  
Accounting policy note 2.17.

##### Audit Response

- We have performed walkthroughs on the Revenue cycle to identify key controls with regards Cash collection and Revenue recognition. We have tested the key controls around the Cash collection and Revenue process.
- For a sample of daily Cash collection, we have reconciled Cash collected to bank deposit slips and we have traced receipts to bank statements in order to ensure that Cash collected matches with deposits in the bank.

- We have ensured that all reconciliations are reviewed and approved by the respective parties.
- We have performed analytical procedures on Revenue to ascertain trends and patterns to determine overall reasonableness in order to ascertain whether Revenue is not materially misstated.
- We have tested a sample of journal entries in Revenue to identify unusual transactions.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the statutory disclosures but does not include the financial statements and our auditor's report thereon.

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

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

#### Corporate Governance Report

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

#### Responsibilities of Directors and those charged with Governance for the Financial Statements

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

In preparing the 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 judgment 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 fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





## Independent Auditor's Report (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

#### Companies Act 2001

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

We have obtained all information and explanations we have required.

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

#### Other Matter

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

**BDO & Co**

**BDO & CO**

Chartered Accountants

Port Louis, Mauritius.

Date: 26 November 2020

*Shabnam Peerbocus*

**Shabnam Peerbocus, FCA**

Licensed by FRC





# Statements of Financial Position

for the year ended 30 June 2020

Notes	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	208,419,863	274,929,758	467,001	523,289
Right-of-use assets	130,858,286	-	3,537,771	-
Investment properties	30,468,809	84,066,351	-	-
Intangible assets	2,689,074	3,178,781	169,864	356,539
Investment in subsidiaries	-	-	495,624,066	495,624,066
Financial assets at fair value through other comprehensive income	370,188,227	369,744,153	-	-
Financial assets at amortised cost	20,717,367	18,456,700	-	-
Financial assets at fair value through profit or loss	133,375,379	136,668,100	-	-
Other assets	2,122,800	4,245,600	-	-
Deferred tax assets	6,693,443	72,443	202,341	72,443
	<b>905,533,248</b>	<b>891,361,886</b>	<b>500,001,043</b>	<b>496,576,337</b>
Non-current assets held for sale	19,500,000	-	-	-
<b>Current assets</b>				
Inventories	7,828,219	4,143,464	-	-
Trade and other receivables	31,754,118	60,427,176	18,001,408	36,068,028
Other assets	2,122,800	2,122,800	-	-
Cash at bank and in hand	56,559,928	68,141,162	3,785,163	2,787,827
	<b>98,265,065</b>	<b>134,834,602</b>	<b>21,786,571</b>	<b>38,855,855</b>
<b>TOTAL ASSETS</b>	<b>1,023,298,313</b>	<b>1,026,196,488</b>	<b>521,787,614</b>	<b>535,432,192</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital	24,324,300	24,324,300	24,324,300	24,324,300
Retained earnings	212,081,105	247,068,465	369,035,338	384,081,439
Other reserves	336,916,810	402,357,946	-	-
<b>Total equity attributable to owners of the company</b>	<b>573,322,215</b>	<b>673,750,711</b>	<b>393,359,638</b>	<b>408,405,739</b>
<b>Non-current liabilities</b>				
Borrowings	101,860,234	32,665,122	-	-
Lease liabilities	109,369,477	-	2,835,365	-
Deferred tax liabilities	390,095	523,976	-	-
Employee benefit liabilities	41,853,000	39,223,000	1,709,000	113,000
Deferred income	6,571,667	5,710,000	-	-
Obligations under finance leases	-	78,024,756	-	-
	<b>260,044,473</b>	<b>156,146,854</b>	<b>4,544,365</b>	<b>113,000</b>
<b>Current liabilities</b>				
Borrowings	112,306,776	116,702,648	18,357,279	13,713,843
Lease liabilities	18,976,613	-	757,655	-
Current tax liabilities	933,544	1,229,853	-	-
Deferred income	2,888,333	2,530,000	-	-
Obligations under finance leases	-	19,785,327	-	-
Trade and other payables	47,745,024	45,105,160	97,687,342	102,253,675
Dividend payable	7,081,335	10,945,935	7,081,335	10,945,935
	<b>189,931,625</b>	<b>196,298,923</b>	<b>123,883,611</b>	<b>126,913,453</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,023,298,313</b>	<b>1,026,196,488</b>	<b>521,787,614</b>	<b>535,432,192</b>

These financial statements have been approved for issue by the Board of Directors on 26 November 2020.

Chairman

The notes on pages 65 to 123 form an integral part of these financial statements.

Auditor's report on pages 56 to 58.

Director

# Statements of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2020

Notes	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Revenue	254,535,844	275,733,597	13,961,682	32,062,540
Operating expenses	(222,511,183)	(250,341,871)	-	-
Gross income	32,024,661	25,391,726	13,961,682	32,062,540
Investment income	18,398,876	19,359,254	-	-
(Loss)/gain on financial asset at fair value through profit or loss	(24,263,197)	6,147,700	-	-
Other income	54,393,331	45,086,022	4,461,205	5,121,517
Administrative expenses	(95,741,805)	(89,482,692)	(22,191,575)	(23,913,349)
(Loss)/profit from operations	(15,188,134)	6,502,010	(3,768,688)	13,270,708
Finance costs	(17,657,351)	(14,358,959)	(5,361,236)	(4,321,738)
(Loss)/profit before taxation	(32,845,485)	(7,856,949)	(9,129,924)	8,948,970
Taxation	5,720,388	(1,150,175)	135,848	(8,160)
Loss for the year	(27,125,097)	(9,007,124)	(8,994,076)	8,940,810
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Changes in fair value of equity instruments at fair value through other comprehensive income	(65,460,514)	19,726,165	29,050	480,570
Re-measurement loss on employee benefit liabilities	264,000	5,228,000	35,000	579,000
Tax effect of re-measurement loss on employee benefit liabilities	(44,880)	(98,430)	(5,950)	(98,430)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	(123,750)	-	-	-
<b>Other comprehensive income</b>	<b>(65,584,264)</b>	<b>19,726,165</b>	<b>29,050</b>	<b>480,570</b>
<b>Total comprehensive income</b>	<b>(92,709,361)</b>	<b>10,719,041</b>	<b>(8,965,026)</b>	<b>9,421,380</b>
<i>(Loss)/profit attributable to:</i>				
Owners of the parent company	(27,125,097)	(9,007,124)	(8,994,076)	8,940,810
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent company	(92,709,361)	10,719,041	(8,965,026)	9,421,380
<b>Basic earnings per share</b>	<b>(2.23)</b>	<b>(0.74)</b>	<b>(0.74)</b>	<b>0.74</b>
<b>Net asset value per share</b>	<b>47.14</b>	<b>55.40</b>	<b>32.34</b>	<b>33.58</b>

The notes on pages 65 to 123 form an integral part of these financial statements.

Auditor's report on pages 56 to 58.





# Statements of Changes in Equity

for the year ended 30 June 2020

The Group	Notes	Stated capital MUR	Translation reserve MUR	Fair value and Investment revaluation reserves MUR	Retained earnings MUR	Total MUR
<b>At July 1, 2019</b>		<b>24,324,300</b>	<b>3,352,710</b>	<b>399,005,236</b>	<b>247,068,465</b>	<b>673,750,711</b>
Loss for the year		-	-	-	(27,125,097)	(27,125,097)
Other comprehensive loss for the year		-	(123,750)	(65,679,634)	219,120	(65,584,264)
Total comprehensive loss for the year		-	(123,750)	(65,679,634)	(26,905,977)	(92,709,361)
Dividends	23	-	-	-	(6,081,075)	(6,081,075)
Transfer		-	-	362,248	(362,248)	-
Consolidation adjustments		-	-	-	(1,638,060)	(1,638,060)
<b>At June 30, 2020</b>		<b>24,324,300</b>	<b>3,228,960</b>	<b>333,687,850</b>	<b>212,081,105</b>	<b>573,322,215</b>
<b>At July 1, 2018</b>		<b>24,324,300</b>	<b>3,352,710</b>	<b>412,025,360</b>	<b>254,939,908</b>	<b>694,642,278</b>
Loss for the year		-	-	-	(9,007,124)	(9,007,124)
Other comprehensive loss for the year		-	-	14,596,595	5,129,570	19,726,165
Total comprehensive loss for the year		-	-	14,596,595	(3,877,554)	10,719,041
Dividends	23	-	-	-	(10,945,935)	(10,945,935)
Transfer		-	-	(27,616,719)	27,616,719	-
Consolidation adjustments		-	-	-	(20,664,673)	(20,664,673)
<b>At June 30, 2019</b>		<b>24,324,300</b>	<b>3,352,710</b>	<b>399,005,236</b>	<b>247,068,465</b>	<b>673,750,711</b>

The notes on pages 65 to 123 form an integral part of these financial statements.  
Auditor's report on pages 56 to 58.

# Statements of Changes in Equity

for the year ended 30 June 2020

The Company	Notes	Stated capital MUR	Retained earnings MUR	Total MUR
<b>At July 1, 2019</b>		<b>24,324,300</b>	<b>384,081,439</b>	<b>408,405,739</b>
Profit for the year		-	(8,994,076)	(8,994,076)
Other comprehensive income for the year		-	29,050	29,050
Total comprehensive loss for the year		-	(8,965,026)	(8,965,026)
Dividend	23	-	(6,081,075)	(6,081,075)
<b>At June 30, 2020</b>		<b>24,324,300</b>	<b>369,035,338</b>	<b>393,359,638</b>
At July 1, 2018		24,324,300	385,605,994	409,930,294
Profit for the year		-	8,940,810	8,940,810
Other comprehensive income for the year		-	480,570	480,570
Total comprehensive loss for the year		-	9,421,380	9,421,380
Dividend	23	-	(10,945,935)	(10,945,935)
<b>At June 30, 2019</b>		<b>24,324,300</b>	<b>384,081,439</b>	<b>408,405,739</b>

The notes on pages 65 to 123 form an integral part of these financial statements.  
Auditor's report on pages 56 to 58.





# Statements of Cash Flows

for the year ended June 30, 2020

Notes	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Cash flows from operating activities</b>				
(Loss)/profit before taxation	(32,845,485)	(7,856,949)	(9,129,924)	8,948,970
<i>Adjustments for:</i>				
Depreciation on property, plant and equipment	5 15,031,468	23,385,422	230,848	61,685
Depreciation of right-of-use assets	5A 26,082,799	-	452,462	-
Impairment on property, plant and equipment	26 1,762,284	-	-	-
Dividend income	24 (13,382,500)	(18,751,597)	(13,961,682)	(32,062,540)
Release of government grant	19 (2,913,333)	(2,530,000)	-	-
Release of upfront payments	2,122,800	2,122,800	-	-
Decrease/(increase) in fair value of financial assets at fair value through profit or loss	11 24,263,197	(6,147,700)	-	-
Amortisation of intangible assets	7 895,486	835,149	186,675	186,675
Interest expense	17,657,352	14,358,959	5,361,236	4,321,738
Interest income	26,27 (918,244)	(888,133)	(131,145)	(106,055)
(Profit)/loss on sale of investment in securities	26 (4,098,131)	280,476	-	-
Provision for retirement benefits obligations	18 7,972,000	6,003,000	1,631,000	184,000
Profit on disposal of investment property	27 (1,837,403)	-	-	-
Profit on disposal of property, plant and equipment	27 (168,071)	(5,056,639)	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>39,624,219</b>	<b>5,754,788</b>	<b>(15,360,529)</b>	<b>(18,465,527)</b>
Increase in inventories	(3,684,754)	4,644,259	-	-
Increase in trade and other receivables	20,582,552	(13,652,298)	(561,628)	(11,434,267)
Increase in trade and other payables	3,596,317	1,062,284	(9,044,911)	26,286,506
Purchase of investments in securities	10/11 (164,222,801)	(15,317,296)	-	-
Proceeds on sale of investments in securities	80,864,501	99,992,978	-	-
Dividends received	21,473,006	18,751,597	32,721,075	16,479,598
<b>Cash generated from/(used in) operating activities</b>	<b>(1,766,960)</b>	<b>101,236,312</b>	<b>7,754,006</b>	<b>12,866,310</b>
Tax paid	13(b) (1,375,682)	(2,180,003)	-	-
Interest paid	(9,283,611)	(14,358,959)	(755,931)	(385,822)
Retirement benefit contribution paid	18 (5,078,000)	(8,095,000)	-	(232,000)
<b>Net cash generated from (used in) operating activities</b>	<b>(17,504,253)</b>	<b>76,602,350</b>	<b>6,998,075</b>	<b>12,248,488</b>
<b>Cash flows from investing activities</b>				
Purchase of intangible assets	7 (405,779)	(119,801)	-	-
Purchase of property, plant and equipment	5 (20,754,097)	(13,686,402)	(174,560)	(165,908)
Purchase of additional shares in subsidiary	-	-	-	(15,000,000)
Interest received	24 918,244	888,133	-	-
Proceeds on disposal of investment property	5,300,000	-	-	-
Proceeds on disposal of property, plant and equipment	182,073	6,595,062	-	-
Proceeds on winding up of subsidiary	-	1,000,000	-	1,000,000
<b>Net cash used in investing activities</b>	<b>(14,759,559)</b>	<b>(5,323,008)</b>	<b>(174,560)</b>	<b>(14,165,908)</b>
<b>Cash flows used in financing activities</b>				
Dividend paid	23 (9,945,675)	(13,378,365)	(9,945,675)	(13,378,365)
Interest paid on lease liabilities	5B (8,373,741)	-	(126,728)	-
Principal paid on lease liabilities	5B (28,097,247)	-	(397,213)	-
Proceeds from bank loans	78,000,000	59,165,122	-	-
Repayment of bank loans	(47,970,594)	(53,382,942)	-	-
Grant received	19 2,300,000	-	-	-
Repayment of obligations under finance lease	-	(9,999,283)	-	-
<b>Net cash used in financing activities</b>	<b>(14,087,257)</b>	<b>(17,595,468)</b>	<b>(10,469,616)</b>	<b>(13,378,365)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(46,351,069)</b>	<b>53,683,874</b>	<b>(3,646,100)</b>	<b>(15,295,785)</b>
<b>Movement in cash and cash equivalents</b>				
At July 1,	14,453,909	(39,229,965)	(10,926,016)	4,369,769
(Decrease)/increase	(46,351,069)	53,683,874	(3,646,100)	(15,295,785)
<b>At June 30,</b>	<b>(31,897,160)</b>	<b>14,453,909</b>	<b>(14,572,116)</b>	<b>(10,926,016)</b>

The notes on pages 65 to 123 form an integral part of these financial statements.  
Auditor's report on pages 56 to 58.

# Notes to the Financial Statements

for the year ended 30 June 2020

## 1. General Information

RHT Holding Ltd is a public Company, incorporated in the Republic of Mauritius and listed on the Development & Enterprise Market ("DEM") of the Stock Exchange of Mauritius Ltd. Its registered office is situated at 32 (ex. 14) Hugnin Street, Rose Hill, Republic of Mauritius.

The activity of the Company is an investment holding Company. The activities of the subsidiaries are disclosed in Note 8 of the financial statements.

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

## 2. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are stated in Mauritian Rupees, which is the Company's functional and presentation currency.

### 2.1 Basis of preparation

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board ("IASB") and complied with the Companies Act 2001 and Financial Reporting Act 2004 except that:

- (i) land and buildings, which are carried at revalued amounts;
- (ii) Investment properties, which are stated at their fair value;
- (iii) investments held for trading and relevant financial assets are stated at their fair value;
- (iv) relevant financial assets and financial liabilities are carried at amortised cost.

### Going concern

The Board of directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future.

The Directors have in their going concern assessment, considered the impact of COVID-19 on the Group. COVID-19 has had a significant impact on the Group and the Company as evidenced by the significant drop in revenue and the deterioration of the net current liabilities position to MUR 91.7M (2019: MUR 61.5M). As of yet there are still many uncertainties around COVID-19 and making an assessment of future cashflows is an extremely subjective and judgemental area.

Whilst the Group has used its best estimate of its cashflows based on its judgement, the impact of COVID-19 will have on its operations and investments and the duration of the impact remain uncertain.

In light of the above assessment and key areas of uncertainty, the Directors having considered the adequacy of the Group and Company's funding, borrowing facilities and operating cashflows, for at least the next 12 months, are satisfied that the financial statements are prepared on a going concern basis based on the future plans that the directors have for the Group.

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

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The group has adopted IFRS 16 from 1 July 2019, but has not restated comparatives for 2019, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 37.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was between 6% and 10%.



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.1 Basis of preparation (continued)

##### Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Group's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Group's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Group's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle:

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Group's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Group's financial statements.

### 2. Significant Accounting Policies (continued)

#### 2.1 Basis of preparation (continued)

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2020 or later periods, but which the Group has not early adopted.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018-2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts-Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Amendments to IFRS 17

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

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

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

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of RHT Holding Ltd and its subsidiaries as at 30 June 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.2 Basis of consolidation (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

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 holding 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 2.3 Property, plant and equipment

Land and buildings are subsequently shown at revalued amount, based on valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss. Following initial recognition at cost, land and buildings are revalued every two years.

Management performs technical assessment and evaluation of the useful life and residual value of Property, plant and equipment on an annual basis.

Increases in the carrying amount arising on revaluation are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to profit or loss.

No depreciation is provided on freehold land.

### 2. Significant Accounting Policies (continued)

#### 2.3 Property, plant and equipment (continued)

Depreciation on all other property, plant and equipment is provided on the cost of each asset or the revalued amount on a straight line basis over its estimated useful life. In the year of purchase, depreciation is calculated on a pro-rata basis. The annual depreciation rates applied are as follows:

Garage and buildings	20 years
Buses	12 years
Other vehicles	5-6.25 years
Plant and machinery	8 years
Furniture, fittings and equipment	3-10 years
Computer equipment	3-10 years

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

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the net proceeds and the carrying amount of the assets. On disposal of revalued assets, amounts in revaluation and other reserves relating to that asset are transferred to retained earnings.

#### 2.4 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Other revenue earned by the Group, representing interest revenue, is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

That cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequently, subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.5 Intangible assets

Intangible assets are recorded at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Trading rights acquired separately in a business combination are initially recognised separately from goodwill at their fair value at the acquisition date (which is regarded as cost).

The annual amortisation rates applied are as follows:

Trading rights	10 years
Computer software	5 years

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

No intangible asset arising from research, or from the research phase of an internal project, shall be recognised. Expenditure on research, or on the research phase of an internal project, shall be recognised as an expense when it is incurred.

An intangible asset arising from development, or from the development phase of an internal project, may be recognised if, and only if, all of the following criteria are met:

- (a) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) There is a firm intention to complete the intangible asset and use or sell it;
- (c) The ability to use or sell the intangible asset is present;
- (d) It can be demonstrated that the intangible asset will generate probable future economic benefits;
- (e) When the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset is present;
- (f) When the ability to measure reliably the expenditure attributable to the intangible asset during its development is present.

In-built software is categorised under "Development" and is recorded as an intangible asset at cost less accumulated amortisation and accumulated impairment losses.

##### *Derecognition of intangible assets*

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, and are recognised in profit or loss when the asset is derecognised.

#### 2.6 Investments in subsidiaries

##### Separate financial statements

Investments in subsidiary companies are recognised at cost less impairment. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

### 2. Significant Accounting Policies (continued)

#### 2.7 Investments in associates

##### Separate financial statements

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

Investments in associates are recognised at cost less impairment losses.

##### Basis of consolidation

Investments in associates are accounted for using the equity method.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

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

#### 2.8 Goodwill

Goodwill arising on the acquisition of a subsidiary or an investment in associate represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or investment in associate recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

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

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under investments in associates above.



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.9 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

##### (i) Fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI;
- equity investments that are held for trading.

##### (ii) Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

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

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

### 2. Significant Accounting Policies (continued)

#### 2.9 Financial assets (continued)

##### (iii) Fair value through other comprehensive income

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company/Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company/Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The Group has debt securities whose objective is achieved by both holding these securities in order to collect contractual cash flows and having the intention to sell the debt securities before maturity. The contractual terms of the debt securities give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

#### 2.10 Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

The Group's accounting policy for each category is as follows:

##### Other financial liabilities

Other financial liabilities include the following items:

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

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

#### 2.11 Share capital

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



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.12 Current and deferred income tax

##### Current tax

Income tax expense represents the sum of the tax currently payable and deferred 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 years and 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 by the reporting date.

##### Deferred tax

Deferred tax is recognised on temporary 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 are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which 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 arising on investments in subsidiaries and associates, and interests in joint ventures, 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.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised with 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 intends to settle its current tax assets and liabilities on a net basis.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Group reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. However, the Group has not recognised any deferred taxes on changes in the fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

### 2. Significant Accounting Policies (continued)

#### 2.13 Foreign currencies

##### (i) Functional and presentation currency

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

##### (ii) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in statement of profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in statement of profit or loss within 'other (losses)/gains - net'.

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

#### 2.14 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing such inventories to their present condition and location. Cost is determined on the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

#### 2.15 Leases

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

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

##### Identifying Leases

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

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and
- The Group has the right to direct use of the asset.

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

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

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was





## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.15 Leases (continue)

##### Identifying Leases (continue)

involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

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

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

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

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

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

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

### 2. Significant Accounting Policies (continued)

#### 2.15 Leases (continue)

##### Identifying Leases (continue)

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

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

#### 2.16 Retirement benefit obligations

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### (i) Employment Rights Act 2008

Employees are entitled to a gratuity which is computed based on the number of years of service. This provision is not funded and is accounted for as a Defined Benefit Obligation. The benefit accruing under this item is calculated by a qualified actuary who carries out a full valuation of the plan. The present value of retirement benefits as provided under the Employment Rights Act 2008 is recognised in the statements of financial position as a non-current liability. Actuarial gains and losses on the present value of the Group's pension obligations and fair value of plan assets are recognised in Other Comprehensive Income.

##### (ii) State plan and defined contribution plan

Contributions to the National Pension Scheme and defined contribution plan are charged to profit or loss in the year in which they fall due.

#### 2.17 Revenue recognition

Revenue for the Company represents dividend income. Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Revenue for the Group comprises of income from bus fare and hire charges and the invoiced values of goods and services net of value added tax, discounts, allowances and returns, service fees and after eliminating sales within Group companies.

##### Sale of goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Maintenance and Service fees income is recognised by reference to the terms of the agreement.

Revenue from bus fare and hire charges are recognised upon customer acceptance.



## Notes to the Financial Statements (continued)

### 2. Significant Accounting Policies (continued)

#### 2.17 Revenue recognition (continue)

##### Sale of goods (continue)

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

- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.
- Lease income arising from operating leases-on a straight-line basis over the lease term.

#### 2.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

#### 2.19 Impairment

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. 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). Recoverable amount is the higher of fair value less cost to sell and value in use. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

#### 2.20 Related parties

Related parties are individuals and companies where the individual or the Group has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions. An entity is related to a reporting entity if the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to each other). Individuals include key management personnel, who are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 2. Significant Accounting Policies (continued)

#### 2.21 Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants whose primary condition is that the Group should purchase or otherwise acquire non-current assets are recognised against the carrying amount of the asset. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge. The grant is being amortised over the operating lease period of 5 years.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Financial support from government is recognised on accrual basis.

#### 2.22 Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

The Group's business segments consist of bus operating services, investing activities, rental activities, trading and provision of services for a fee. Most of its activity is performed in Mauritius and the African continent.

#### 2.23 Non-current assets held for sale

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

Events or circumstances may extend the period to complete the sale beyond one year but if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset, such extension does not preclude the asset from being classified as held for sale.

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognised in profit or loss.

### 3. Financial Risk Management

#### 3.1 Financial Risk Factors

The treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

##### (a) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group manages its exposure to interest rate and foreign currency risk by use of a proper mix in fixed and floating rate borrowings.



## Notes to the Financial Statements (continued)

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (a) Market risk (continue)

##### (i) Currency risk

The Group and the Company undertake certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

##### Currency profile

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

The Group	MUR	USD MUR	EUR MUR	ZMK MUR	TOTAL MUR
<b>At June 30, 2020</b>					
Financial assets at fair value through other comprehensive income	362,440,650	7,747,577	-	-	370,188,227
Financial assets at amortised cost	-	20,717,367	-	-	20,717,367
Financial assets at fair value through profit or loss	133,375,379	-	-	-	133,375,379
Trade and other receivables	31,060,566	-	-	693,552	31,754,118
Cash and cash equivalents	56,559,928	-	-	-	56,559,928
<b>Total financial assets</b>	<b>583,436,523</b>	<b>28,464,944</b>	-	<b>693,552</b>	<b>612,595,019</b>
Trade payables	40,580,580	308,083	-	6,856,361	47,745,024
Borrowings	214,167,010	-	-	-	214,167,010
Lease liabilities	128,346,090	-	-	-	128,346,090
<b>Total financial liabilities</b>	<b>383,093,680</b>	<b>308,083</b>	-	<b>6,856,361</b>	<b>390,258,124</b>
<b>At June 30, 2019</b>					
Financial assets at fair value through other comprehensive income	356,190,603	13,553,550	-	-	369,744,153
Financial assets at amortised cost	-	18,456,700	-	-	18,456,700
Financial assets at fair value through profit or loss	136,668,100	-	-	-	136,668,100
Trade and other receivables	60,221,092	118,804	18,143	69,137	60,427,176
Cash and cash equivalents	68,141,162	-	-	-	68,141,162
<b>Total financial assets</b>	<b>621,220,957</b>	<b>32,129,054</b>	<b>18,143</b>	<b>69,137</b>	<b>653,437,291</b>
<b>At June 30, 2019</b>					
Trade payables	45,105,160	-	-	-	45,105,160
Borrowings	149,367,770	-	-	-	149,367,770
Obligations under finance leases	97,810,083	-	-	-	97,810,083
<b>Total financial liabilities</b>	<b>292,283,013</b>	-	-	-	<b>292,283,013</b>

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (a) Market risk (continued)

##### (i) Currency risk (continued)

The Company	MUR	USD MUR	EUR MUR	ZMK MUR	TOTAL MUR
<b>At June 30, 2020</b>					
Trade and other receivables	18,001,408	-	-	-	18,001,408
Cash and cash equivalents	3,785,163	-	-	-	3,785,163
<b>Total financial assets</b>	<b>21,786,571</b>	-	-	-	<b>21,786,571</b>
Trade payables	97,379,259	308,083	-	-	97,687,342
Lease liabilities	3,593,020	-	-	-	3,593,020
<b>Total financial liabilities</b>	<b>100,972,279</b>	<b>308,083</b>	-	-	<b>101,280,362</b>
<b>At June 30, 2019</b>					
Trade and other receivables	36,068,028	-	-	-	36,068,028
Cash and cash equivalents	2,787,827	-	-	-	2,787,827
<b>Total financial assets</b>	<b>38,855,855</b>	-	-	-	<b>38,855,855</b>
Trade payables	102,253,675	-	-	-	102,253,675
<b>Total financial liabilities</b>	<b>102,253,675</b>	-	-	-	<b>102,253,675</b>

The following significant exchange rates have been applied.

	AVERAGE RATE		YEAR-END SPOT RATE	
	2020 MUR	2019 MUR	2020 MUR	2019 Rs
USD	35.66	34.18	36.35	34.40
EUR	39.79	40.26	40.64	39.20
ZMK	2.48	2.46	2.81	2.14



## Notes to the Financial Statements (continued)

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (a) Market risk (continued)

##### (i) Currency risk (continued)

###### Sensitivity analysis

At 30 June 2020, if the rupee had weakened/strengthened by 5% against the US dollar/Euro/Kwacha, with all other variables held constant, post tax profit for the year and equity would have been impacted as follows mainly as a result of measurement of financial instruments denominated in a foreign currency.

The Group	2020		2019	
	MUR00's	MUR00's	MUR00's	MUR00's
	+/-5%	+/-5%	+/-5%	+/-5%
USD	1,407,843	1,606,453		
	+/-5%	+/-5%	+/-5%	+/-5%
EUR	-	907		
	+/-5%	+/-5%	+/-5%	+/-5%
ZMK	(308,140)	3,457		
	+/-5%	+/-5%	+/-5%	+/-5%
SCR	(308,140)	3,457		
The Company	2020		2019	
	MUR00's	MUR00's	MUR00's	MUR00's
	+/-5%	+/-5%	+/-5%	+/-5%
USD	(15,404)	-		

##### (b) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The interest rate profile of the Group's financial assets and financial liabilities at 30 June 2020 was:

Financial assets	Currency	Floating interest rate	
		2020 %	2019 %
Balances with banks	MUR	2.95 - 4.75	2.95 - 4.75
Loan and receivables	MUR	4.75 - 5.50	5.50

Financial liabilities	Floating interest rate		Fixed interest rate	
	2020 %	2019 %	2020 %	2019 %
Bank overdrafts	4.1 - 5.66	5.6 - 6.85	-	-
Finance lease obligations	-	-	6.25 - 7.5	6.25 - 7.5
Loans	4.1 - 5.1	5.6 - 6.85	-	-
Trade and other payables	-	-	4.75 - 5.50	5.5

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (b) Interest rate risk management (continued)

###### Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the profit for the year ended 30 June 2020 and 2019 would have decreased/increased by:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Profit or loss	983,910	735,400	80,178	34,285

##### (c) Price risks

The Group is exposed to price risks arising from investments in listed investments quoted on the Stock Exchange of Mauritius. The Group is exposed to equity price risks arising from equity investments classified either as financial assets at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL).

The sensitivity analysis below have been determined based on the exposure to equity price risks at the reporting date.

###### Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on post-tax profit		Impact on equity	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
FVOCI	-	-	18,509,411	18,487,208
Fair value through profit or loss (FVTPL)	6,668,769	6,833,405	-	-

The Group's sensitivity to equity prices has not changed significantly from the prior year.

##### (d) 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 have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group and the Company's credit risk are primarily attributable to trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables and represents the Group's and the Company's maximum exposure to credit risk. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has no concentration of credit risk in its trade receivables in 2020 and 2019. Financial assets that are neither past due nor impaired are of a high credit quality.



## Notes to the Financial Statements (continued)

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by 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 Group				
	On Demand MUR	Less than 1 year MUR	1 - 5 years. MUR	More than 5 years MUR	Total
<b>June 2020</b>					
Bank overdrafts	88,457,088	-	-	-	88,457,088
Bank loans	-	23,849,688	97,410,894	4,449,340	125,709,922
Lease liabilities	-	18,976,613	109,369,477	-	128,346,090
Trade and other payables	-	47,745,024	-	-	47,745,024
Dividend payable	7,081,335	-	-	-	7,081,335
	<b>95,538,423</b>	<b>90,571,326</b>	<b>206,780,371</b>	<b>4,449,340</b>	<b>397,339,459</b>
<b>June 2019</b>					
Bank overdrafts	53,687,253	-	-	-	53,687,253
Bank loans	-	63,015,395	32,665,122	-	95,680,517
Obligations under finance Lease	-	19,785,327	78,024,756	-	97,810,083
Trade and other payables	-	45,105,160	-	-	45,105,160
Dividend payable	10,945,935	-	-	-	10,945,935
	64,633,188	127,905,882	110,689,878	-	303,228,948
	The Company				
	On Demand MUR	Less than 1 year MUR	1 - 5 years. MUR	More than 5 years MUR	Total
<b>2020</b>					
Bank overdraft	18,357,279	-	-	-	18,357,279
Trade and other payables	97,687,342	-	-	-	97,687,342
Dividend payable	7,081,335	-	-	-	7,081,335
	<b>123,125,956</b>	-	-	-	<b>123,125,956</b>
<b>2019</b>					
Bank overdraft	13,713,843	-	-	-	13,713,843
Trade and other payables	102,253,675	-	-	-	102,253,675
Dividend payable	10,945,935	-	-	-	10,945,935
	126,913,453	-	-	-	126,913,453

### 3. Financial Risk Management (continued)

#### 3.1 Financial Risk Factors (continued)

##### (f) Financial guarantee contract risk

The Group has provided financial guarantees to its subsidiaries and to third parties on behalf of its subsidiaries and associates. The Group is exposed to the risk that in the event of default from its subsidiaries and associates, there is the need to recognise the liability which represents the amount required to settle the obligation.

The Group has guaranteed the amount by which the total assets fall short of the total liabilities of the respective subsidiaries, as follows:

	2020 MUR	2019 MUR
RHT Ventures Ltd	5,326,812	3,342,090
MyChauffeur Ltd	3,599,433	3,342,736
Advance Institute of Motoring	6,199,427	4,106,912
ICL Zambia Ltd	3,594,912	2,341,696
Huginn Property Development Ltd	985,120	325,601
	<b>19,705,703</b>	<b>13,459,035</b>

#### 3.2 Fair value estimation

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

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.



## Notes to the Financial Statements (continued)

### 3. Financial Risk Management (continued)

#### 3.3 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remained unchanged during the year.

The capital structure of the Group consists of net debt, which includes borrowings, offset by cash at bank and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Gearing ratio</b>				
The gearing ratio at the year end was as follows:				
Debt (i)	<b>342,513,100</b>	247,177,853	<b>21,950,299</b>	13,713,843
Cash at bank	<b>(56,559,928)</b>	(68,141,162)	<b>(3,785,163)</b>	(2,787,827)
Net debt	<b>285,953,172</b>	179,036,691	<b>18,165,136</b>	10,926,016
Equity (ii)	<b>573,322,215</b>	673,750,711	<b>393,359,638</b>	408,405,739
Net debt to equity ratio	<b>0.50</b>	0.27	<b>0.05</b>	0.03

(i) Debt is defined as long and short term borrowings.

(ii) Equity includes all capital and reserves of the Group.

(iii) Management believes the gearing ratio is within an acceptable range.

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

### 4. Critical Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

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

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

#### Critical judgements in applying accounting policies

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

### 4. Critical Accounting Estimates and Judgements (continued)

#### Key sources of estimation uncertainty

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

#### (a) Impairment of financial assets

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

#### (b) Impairment of goodwill

"Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value, as described in note 7 of the financial statements."

#### (c) Property, plant and equipment

The cost of the property, plant and equipment is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors. Management performs a technical assessment and evaluation of the useful life and residual value of buses on an annual basis.

#### (d) Investment properties

Investment property has been valued based on directors' estimate with reference to their knowledge on the current market evidence of transaction prices for similar properties and with the valuer's report. The actual results could differ from their estimates as management uses an average of the most recent transaction prices, or, depending on the location, the exact transaction price of a similar property which has recently traded on the market in the vicinity of the subject property being valued. Note 6 provides further details on the revaluation method.

#### (e) Retirement benefit obligations

Retirement benefit obligations has been valued by actuaries based on accounting estimates in respect of inter-alia, discount rate, future salary increases, and average retirement age. Due to the long term nature of the plan, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Management consider that the actuary has used its best estimates to value the retirement benefit obligation provisions and note 17 provides further information on same.

#### (f) Allowance for slow moving stock

An allowance for slow moving stock is determined using a combination of factors including the overall quality and ageing of the stocks. The allowance is also determined by all items for which there have been no use or sale during the financial year. Where management forecast, which are based on the use of the inventory items and changes in market trends, reflect no future use or saleability, these items have been fully provided for.





## Notes to the Financial Statements (continued)

### 4. Critical Accounting Estimates and Judgements (continued)

#### Key sources of estimation uncertainty (continued)

##### (g) Measurement of the expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

When using the simplified approach for measurement of expected credit loss for trade receivables, the application of a provision matrix requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk characteristics;
- Determining the period over which historical loss rates are obtained to develop estimates of expected future loss rates;
- Determining the historical loss rates;
- Considering macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

##### (h) Impact of COVID-19

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these financial statements. The Group and the Company have developed various accounting estimates in these financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2020 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing these forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group and the Company. Accordingly, actual economic conditions may be different from these forecasts since anticipated events may not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements. The significant accounting estimates particularly impacted by these associated uncertainties are predominantly related to the recoverable amount assessments of non-financial assets, expected credit losses of trade receivables and fair value of investments.

### 5. Property, Plant And Equipment

The Group	Freehold land MUR	Garage and Buildings MUR	Buses MUR	Plant and machinery MUR	Other vehicles MUR	Fittings and equipment MUR	Computer equipment MUR	Total MUR
<b>COST OR VALUATION</b>								
At July 1, 2018	75,800,000	16,525,358	164,806,715	9,720,472	31,884,473	3,980,773	29,609,740	332,327,531
Additions	-	-	8,838,504	21,217	86,374,754	389,026	2,688,159	98,311,660
Disposals	-	-	(8,419,338)	-	(1,462,250)	-	(29,142)	(9,910,730)
At June 30, 2019	75,800,000	16,525,358	165,225,881	9,741,689	116,796,977	4,369,799	32,268,757	420,728,461
Additions	-	-	6,344,781	96,700	10,359,800	2,583,753	1,369,063	20,754,097
Disposals	-	-	-	-	(7,579)	-	(26,000)	(33,579)
Reclassification adjustments	-	-	-	(1,705,299)	-	-	1,705,299	-
Impairment	-	-	-	-	-	-	(4,743,114)	(4,743,114)
Scrapped assets	-	-	-	(42,734)	-	(1,393,447)	(3,397,382)	(4,833,563)
Transfer from investment properties (note 6)	13,400,000	17,234,945	-	-	-	-	-	30,634,945
Exchange differences	-	-	-	5,090	69,556	-	56,028	130,674
Effect of changes in accounting policies (note 37)	-	-	-	-	(112,074,190)	-	-	(112,074,190)
<b>At June 30, 2020</b>	<b>89,200,000</b>	<b>33,760,303</b>	<b>171,570,662</b>	<b>8,095,446</b>	<b>15,144,562</b>	<b>5,560,105</b>	<b>27,232,651</b>	<b>350,563,730</b>
<b>ACCUMULATED DEPRECIATION</b>								
At July 1, 2018	-	917,960	93,123,189	2,250,152	6,485,792	2,651,037	25,357,460	130,785,590
Charge for the year	-	-	8,711,243	50,252	10,439,331	639,025	3,545,571	23,385,422
Disposal adjustment	-	-	(7,408,403)	-	(1,159,085)	9,888	185,291	(8,372,309)
At June 30, 2019	-	917,960	94,426,029	2,300,404	15,766,038	3,299,950	29,088,322	145,798,703
Charge for the year	-	-	8,717,270	46,032	833,294	786,930	4,647,942	15,031,468
Disposal adjustment	-	-	-	-	(1,088)	-	(18,489)	(19,577)
Impairment adjustments	-	-	-	-	-	-	(2,980,830)	(2,980,830)
Scrapped assets	-	-	-	(42,734)	-	(1,393,447)	(3,397,382)	(4,833,563)
Exchange differences	-	-	-	1,977	28,678	-	27,214	57,869
Effect of changes in accounting policies (note 36)	-	-	-	-	(10,910,203)	-	-	(10,910,203)
<b>At June 30, 2020</b>	<b>-</b>	<b>917,960</b>	<b>103,143,299</b>	<b>2,305,679</b>	<b>5,716,719</b>	<b>2,693,433</b>	<b>27,366,777</b>	<b>142,143,867</b>
<b>CARRYING AMOUNT</b>								
<b>At June 30, 2020</b>	<b>89,200,000</b>	<b>32,842,343</b>	<b>68,427,363</b>	<b>5,789,768</b>	<b>9,427,843</b>	<b>2,866,672</b>	<b>(134,126)</b>	<b>208,419,863</b>
At June 30, 2019	75,800,000	15,607,398	70,799,852	7,441,285	101,030,939	1,069,849	3,180,435	274,929,758



## Notes to the Financial Statements (continued)

## 5. Property, Plant and Equipment (continued)

The Company	Plant and machinery MUR	Fittings and equipment MUR	Computer equipment MUR	Total MUR
<b>2020</b>				
<b>COST</b>				
At July 01,	63,952	1,463,664	3,902,093	5,429,709
Additions	96,700	54,360	23,500	174,560
Scrapped assets	(42,734)	(1,393,447)	(3,397,382)	(4,833,563)
<b>At June 30,</b>	<b>117,918</b>	<b>124,577</b>	<b>528,211</b>	<b>770,706</b>
<b>ACCUMULATED DEPRECIATION</b>				
At July 01,	44,750	1,407,537	3,454,133	4,906,420
Charge for the year	8,270	14,203	208,375	230,848
Scrapped assets adjustment	(42,734)	(1,393,447)	(3,397,382)	(4,833,563)
<b>At June 30,</b>	<b>10,286</b>	<b>28,293</b>	<b>265,126</b>	<b>303,705</b>
<b>CARRYING AMOUNT</b>				
<b>At June 30,</b>	<b>107,632</b>	<b>96,284</b>	<b>263,085</b>	<b>467,001</b>
<b>2019</b>				
<b>COST</b>				
At June 30, 2018 and 2017	42,734	1,463,664	3,757,403	5,263,801
Additions	21,218	-	144,690	165,908
At June 30, 2019	63,952	1,463,664	3,902,093	5,429,709
<b>ACCUMULATED DEPRECIATION</b>				
At June 30, 2018 and 2017	42,734	1,398,669	3,403,332	4,844,735
Charge for the year	2,016	8,868	50,801	61,685
<b>At June 30, 2019</b>	<b>44,750</b>	<b>1,407,537</b>	<b>3,454,133</b>	<b>4,906,420</b>
<b>CARRYING AMOUNT</b>				
<b>At June 30, 2019</b>	<b>19,202</b>	<b>56,127</b>	<b>447,960</b>	<b>523,289</b>

## The Group

## Fair value measurement of the Group's freehold land and buildings

The Group's freehold land and buildings were last revalued in June 2017 by Messrs NP Jeetun Chartered Valuation Surveyors, independent valuers not related to the Group. The fair value has been determined by the comparative method. The comparative method is based on comparison of prices paid of similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. Messrs NP Jeetun Chartered Valuation Surveyors have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

At 30 June 2020, management has reassessed the fair value of the land and buildings and confirm that there has been no major movement in the fair value of land and buildings.

## 5. Property, Plant and Equipment (continued)

## The Group (continued)

## Fair value measurement of the Group's freehold land and buildings (continued)

## Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

2020	Fair value hierarchy	Significant unobservable inputs	Range of unobservable inputs MUR
Land	Level 3	Price per toise	18k - 33k
Garage and buildings	Level 3	Price per square meter	6,900 - 8,900

An increase in the price per toise and the price per Square meter would result in an increase in fair value.

If freehold land and garage and buildings were stated at historical cost, the carrying amounts would have been as follows:

	2020 MUR	2019 MUR
Net book value	<b>39,203,123</b>	62,729,966

(i) Bank borrowings are secured by fixed and floating charges on the assets of the Group (notes 15 and 28).

(ii) Leased assets in the Group financial statements included above comprise of buses and other vehicles as follows:

2019	Buses MUR	Vehicles MUR	Total MUR
Cost-Capitalised finance leases	-	110,593,164	110,593,164
Accumulated depreciation	-	(10,543,165)	(10,543,165)
At June 30, 2019	-	100,049,999	100,049,999

For the year ended 30 June 2020, leased assets are shown in Note 5A.

(iii) Depreciation charge is allocated as follows in the statements of profit or loss and other comprehensive income:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Cost of sales	<b>11,396,646</b>	19,200,826	-	-
Administrative expenses	<b>3,634,822</b>	4,184,596	<b>230,848</b>	61,685
	<b>15,031,468</b>	23,385,422	<b>230,848</b>	61,685



## Notes to the Financial Statements (continued)

### 5A. Right-of-Use Assets

	Motor Vehicles	
	The Group 2020 MUR	The Company 2020 MUR
<b>At June 30, 2019</b>		
- as previously reported	-	-
Impact of change in accounting policy (note 36)	122,678,769	3,990,233
- At July 01, 2019	122,678,769	3,990,233
Additions	37,053,813	-
Disposals	(2,791,497)	-
Depreciation	(26,082,799)	(452,462)
<b>At June 30, 2020</b>	<b>130,858,286</b>	<b>3,537,771</b>

### 5B. Lease Liabilities

	Motor Vehicles	
	The Group 2020 MUR	The Company 2020 MUR
<b>At June 30, 2019</b>		
- as previously reported	-	-
Impact of change in accounting policy (note 36)	119,324,864	3,990,233
- At July 01, 2019	119,324,864	3,990,233
Additions	37,118,474	-
Interest expense	8,373,741	126,728
Lease payments	(36,470,988)	(523,941)
<b>At June 30, 2020</b>	<b>128,346,091</b>	<b>3,593,020</b>
Current	18,976,613	757,655
Non current	109,369,478	2,835,365
	<b>128,346,091</b>	<b>3,593,020</b>

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

The Group and the Company leases motor vehicles for use in its operations.

#### (b) Lease payments

The lease payments for motor vehicles are fixed yearly amounts.

#### (c) Lease term

The motor vehicles leases are for a period of 5 years.

#### (d) Interest expense and cash outflows

	The Group 2020 MUR	The Company 2020 MUR
Interest expense (included in finance cost)	8,373,741	126,728
Total cash outflows	(36,470,988)	(523,941)

### 6. Investment Properties

	The Group	
	2020 MUR	2019 MUR
<b>Fair value</b>		
At July 1,	84,066,351	84,084,681
Disposals	(3,462,597)	(18,330)
Transfer to Property, Plant and Equipment (note 5)	(30,634,945)	-
Transfer to non-current assets held for sale (note 22)	(19,500,000)	-
At June 30,	<b>30,468,809</b>	84,066,351

(a) The Group's freehold land and buildings were last revalued in June 2017 by Messrs NP Jeetun Chartered Valuation Surveyors, independent valuers not related to the Group. The fair value has been determined by the comparative method. The comparative method is based on comparison of prices paid of similar properties within close vicinity of the site and adjusted to reflect the characteristics of the subject property, at the relevant date. Messrs NP Jeetun Chartered Valuation Surveyors have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The basis of valuation in estimating the open market values have been effected in accordance with the principles set out by the International Valuation Standards Committee as per the International Valuation Application 1 (IVA 1) which deals with valuation for financial reporting and which is to be used in the context of International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

The Group's policy is to revalue its property every two years unless there is evidence that the fair value of the assets differs materially from the carrying amount. The Directors have re-assessed the fair value of the investment properties as at 30 June 2020. They took into consideration current market conditions, made comparisons to the carrying amount to recent observable transactions and held discussions with their independent valuer to confirm their views of no major change in the values.

	The Group	
	2020 MUR	2019 MUR
Freehold land	30,468,809	80,659,681
Buildings	-	3,406,670
	<b>30,468,809</b>	84,066,351

#### Sensitivity analysis

The following tables show the significant unobservable inputs used and the sensitivity of these inputs on the fair value:

2020	Fair value hierarchy	Significant unobservable inputs	Range of unobservable inputs MURM
Land	Level 3	Price per arpent	3.9 - 9.6

An increase in the price per arpent would result in an increase in fair value.

The investment properties have been pledged to secure banking facilities within RHT Group of companies.





## Notes to the Financial Statements (continued)

### 7. Intangible Assets

The Group	In built software MUR	Purchased goodwill MUR	Computer software MUR	Trademarks MUR	Trading rights MUR	Total MUR
<b>COST AND VALUATION</b>						
At July 1, 2018	1,621,493	3,730,364	4,712,600	28,571	4,000,000	14,093,028
Additions	-	-	119,801	-	-	119,801
At June 30, 2019	1,621,493	3,730,364	4,832,401	28,571	4,000,000	14,212,829
Additions	-	-	405,779	-	-	405,779
<b>At June 30, 2020</b>	<b>1,621,493</b>	<b>3,730,364</b>	<b>5,238,180</b>	<b>28,571</b>	<b>4,000,000</b>	<b>14,618,608</b>
<b>AMORTISATION</b>						
At July 1, 2018	1,600,000	1,411,806	3,982,819	4,274	3,200,000	10,198,899
Charge for the year	-	-	435,149	-	400,000	835,149
At June 30, 2019	1,600,000	1,411,806	4,417,968	4,274	3,600,000	11,034,048
Charge for the year	-	-	495,702	-	399,784	895,486
<b>At June 30, 2020</b>	<b>1,600,000</b>	<b>1,411,806</b>	<b>4,913,670</b>	<b>4,274</b>	<b>3,999,784</b>	<b>11,929,534</b>

#### CARRYING AMOUNT

At June 30, 2020	21,493	2,318,558	324,510	24,297	216	2,689,074
At June 30, 2019	21,493	2,318,558	414,433	24,297	400,000	3,178,781

Amortisation charge is charged to administrative expenses in the statements of profit or loss.

Goodwill has been allocated for impairment testing purposes to the following cash generating unit ("CGU"):

	The Group	
	2020 MUR	2019 MUR
Cash-generating-unit - Island Communications Ltd	2,052,558	2,052,558
Cash-generating-unit - Transport and Micropayment System Ltd	266,000	266,000
	<b>2,318,558</b>	2,318,558

The Group performs impairment test on goodwill on an annual basis or more frequently, if there are indications that goodwill might be impaired. The impairment test was performed using cash flow projections based on financial budgets approved by management covering a five year span. The Directors have reviewed the carrying value of the goodwill and are of opinion that at year end, the carrying value has not suffered any impairment loss (2019: nil) by virtue of the above fact whereby recoverable amount is higher than carrying amount. A reasonable change in the assumptions used would not cause the recoverable amount to fall below the carrying amount.

### 7. Intangible Assets (continued)

The Company	Computer software	
	2020 MUR	2019 MUR
<b>COST AND VALUATION</b>		
At July 01,	1,118,179	1,118,179
Additions	-	-
<b>At June 30,</b>	<b>1,118,179</b>	<b>1,118,179</b>
<b>AMORTISATION</b>		
At July 01,	761,640	761,640
Charge for the year	186,675	-
<b>At June 30,</b>	<b>948,315</b>	<b>761,640</b>
<b>CARRYING AMOUNT</b>		
<b>At June 30,</b>	<b>169,864</b>	<b>356,539</b>

### 8. Investment in Subsidiaries

	The Company	
	2020 MUR	2019 MUR
<b>Unquoted at cost</b>		
At July 01,	495,624,066	481,624,066
Additions - note 8(a)	-	15,000,000
Winding up of subsidiary - note 8(b)	-	(1,000,000)
<b>At June 30,</b>	<b>495,624,066</b>	495,624,066

- (a) The Company acquired an additional 15,000 shares in RHT Bus Services Ltd on issue at MUR 1,000 each for a consideration of MUR 15M in the financial year 2019.
- (b) The Company wound up one of its subsidiary namely RHT Fund Management Ltd and net proceeds of MUR 1M was received in the financial year 2019.
- (c) Investment in subsidiaries is stated at cost less impairment. The Directors have assessed the recoverable amounts of the investments and are of opinion that carrying amount has not suffered further impairment.



## Notes to the Financial Statements (continued)

## 8. Investment in Subsidiaries (continued)

Name of Company	Type of holding	Class of shares held	Principal activity	Shareholding	
				2020 %	2019 %
RHT Bus Services Ltd	Direct	Ordinary	Bus transport industry	100	100
RHT Ventures Ltd	Direct	Ordinary	Investment holding	100	100
RHT Properties Ltd	Direct	Ordinary	Estate properties	100	100
RHT Investments Ltd	Direct	Ordinary	Investment holding	100	100
Island Communications Ltd	Indirect	Ordinary	Information technology	100	100
RHT Systems India Private Limited	Indirect	Ordinary	Information technology	100	100
MyChauffeur Ltd	Indirect	Ordinary	Chauffeur services	100	100
FleetPro Services Ltd	Indirect	Ordinary	Maintenance and servicing of vehicles	100	100
Advance Institute of Motoring Ltd	Indirect	Ordinary	Motoring training	100	100
Hugin Property Development Ltd	Indirect	Ordinary	Estate properties	100	100
Transport and Micropayment System Ltd	Indirect	Ordinary	Information technology	100	100
ICL Zambia Ltd	Indirect	Ordinary	Information technology	100	100

The subsidiary Companies are incorporated and carry activities in Mauritius except for two subsidiaries, namely, RHT Systems India Private Limited and ICL Zambia Ltd, which are incorporated in India and Zambia respectively. All the subsidiary Companies have a June year end.

Through its subsidiary RHT Investments Ltd, the investments in securities have been pledged to secure banking facilities of RHT Group of Companies.

## 9. Investment in Associate

	2020 MUR	2019 MUR
<b>The Group</b>		
At June 30,	-	-

(i) Investment in associate has been fully impaired since prior years. The results of the associate that is not individually material is listed below:

Name of company	Activity	Type of holding	Description	Effective Group shareholding	
				2020 %	2019 %
Showbizz Entertainment Ltd	Advertising on digital screen	Indirect	Ordinary shares	50	50

## 9. Investment in Associates (continued)

(ii) The summarised financial information in respect of the associate that is not material is set out below. The summarised financial information below represents amount shown in the associate financial statements as at 30 June 2020 as prepared in accordance with IFRSs.

	2020 MUR	2019 MUR
Non current assets	-	-
Current assets	-	-
Non current liabilities	-	-
Current liabilities	-	-
Unrecognised cumulative share of losses in the associate	-	-
Revenue	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Group's share of associates loss	-	-
Dividend received from associates	-	-
Unrecognised cumulative share of losses in the associate	-	-

## 10. Financial Assets at Fair Value through Other Comprehensive Income

(i) Equity investments at fair value through other comprehensive income

2020	The Group		
	Level 1 MUR	Level 3 MUR	Total MUR
<b>At July 1</b>	<b>342,739,512</b>	<b>27,004,641</b>	<b>369,744,153</b>
Additions	1,431,611	72,081,150	73,512,761
Disposals	(7,389,055)	-	(7,389,055)
Change in fair value recognised in OCI	(60,811,411)	(4,868,221)	(65,679,632)
<b>At June 30</b>	<b>275,970,657</b>	<b>94,217,570</b>	<b>370,188,227</b>
Less: non-current portion	-	-	-
Current portion	<b>275,970,657</b>	<b>94,217,570</b>	<b>370,188,227</b>

2019	The Group		
	Level 1 MUR	Level 3 MUR	Total MUR
<b>At July 1</b>	<b>422,703,063</b>	<b>17,400,651</b>	<b>440,103,714</b>
Additions	5,713,306	9,603,990	15,317,296
Disposals	(100,273,451)	-	(100,273,451)
Change in fair value recognised in OCI	14,596,594	-	14,596,594
<b>At June 30</b>	<b>342,739,512</b>	<b>27,004,641</b>	<b>369,744,153</b>
Less: non-current portion	-	-	-
Current portion	<b>342,739,512</b>	<b>27,004,641</b>	<b>369,744,153</b>



## Notes to the Financial Statements (continued)

## 10. Financial Assets at Fair Value through Other Comprehensive Income (continued)

(ii) Fair value through other comprehensive income financial assets include the following:

	The Group	
	2020 MUR	2019 MUR
<i>Quoted - Level 1:</i>		
Equity securities - [Mauritius]	271,127,360	334,109,754
Equity securities - [Other jurisdictions]	4,843,297	8,629,757
<i>Unquoted - Level 3:</i>		
Equity securities - [Mauritius]	94,217,570	27,004,642
	<b>370,188,227</b>	369,744,153

(iii) Financial assets measured at fair value through other comprehensive income include the Group's strategic equity investments not held for trading. The Group has made an irrevocable election to classify the equity investments at fair value through other comprehensive income rather than through profit or loss because this is considered to be more appropriate for these strategic investments. The current portion relates to those assets the Group expects to sell within the next 12 months.

(iv) Level 1: The fair value of quoted securities is based on published market prices.

Level 3: The significant unobservable inputs used in measuring the fair value of Level 3 securities are as follows:

Description	2019 MUR'M.	2018 MUR'M.	Valuation technique	Unobservable inputs
Unquoted investments	6.2	11.1	Dividend valuation model	Cost of equity Growth rate

**Sensitivity analysis**

The following table indicates the approximate change in the Group's and Company's equity in response to reasonably possible changes in net asset value of investment.

	Impact on equity	
	2020 MUR	2019 MUR
5% increase in Cost of equity (2019: 5%)	(374,791)	(1,017,565)
5% increase in growth rate (2019: 5%)	95,247	623,735

The fair value of the unquoted securities are based on observable market data and at cost.

(v) Fair value through other comprehensive income financial assets are denominated in the following currencies:

	The Group	
	2020 MUR	2019 MUR
MUR	362,440,650	356,190,603
USD	7,747,577	13,553,550
	<b>370,188,227</b>	369,744,153

The investments in securities have been pledged to secure banking facilities of the Group.

## 10B. Financial Assets at Amortised Cost

	2020		
	MUR Current	MUR Non-current	MUR Total
Corporate bonds	967,367	19,750,000	20,717,367
Less: Loss allowance for debt investments at amortised cost	-	-	-
	<b>967,367</b>	<b>19,750,000</b>	<b>20,717,367</b>
2019			
	MUR Current	MUR Non-current	MUR Total
Corporate bonds	-	18,456,700	18,456,700
Less: Loss allowance for debt investments at amortised cost	-	-	-
	<b>-</b>	<b>18,456,700</b>	<b>18,456,700</b>

Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(a) Maturity dates and interest rates are as follows:

2020		
Maturity Date	Interest Rate	Total MUR
2021	2.95%	967,367
2025	4.75%	19,750,000
		<b>20,717,367</b>

(b) The carrying amounts of the financial assets at amortised cost are denominated in USD.

(c) There is no exposure to price risk as the investments will be held to maturity.





## Notes to the Financial Statements (continued)

### 11. Financial Assets at Fair Value through Profit or Loss

(a) The carrying amounts of the financial assets at fair value through profit or loss are classified as follows:

	The Group	
	2020 MUR	2019 MUR
<b>Level 1</b>		
At July 1,	136,668,100	130,520,400
Additions	90,710,042	-
Disposals	(69,739,566)	-
Fair value (losses)/gains	(24,263,197)	6,147,700
<b>At June 30,</b>	<b>133,375,379</b>	<b>136,668,100</b>
	2020 MUR	2019 MUR
Non-current	133,375,379	136,668,100
Current	-	-
	<b>133,375,379</b>	<b>136,668,100</b>

- (b) The carrying amounts of the financial assets at fair value through profit or loss are denominated in MUR.  
(c) Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.  
(d) Changes in fair values of financial assets at fair value through profit or loss are recorded in profit or loss.  
(e) Level 1 The fair value of quoted securities is based on published market prices.

### 12. Other Assets

	The Group	
	2020 MUR	2019 MUR
Non-Current	2,122,800	4,245,600
Current	2,122,800	2,122,800

Other assets consist of upfront payments made to Bus manufacturers and suppliers to reduce the operating lease rentals paid to lessor on new buses acquired. The amount is being amortised over the operating lease term being 5 years.

### 13. Deferred Tax and Taxation

(a) Deferred taxes

Deferred tax is calculated on all temporary differences under the liability method at 17% (2019: 17%). The following amounts are shown in the Statement of Financial Position:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Deferred tax assets	(6,693,443)	(72,443)	(202,341)	(72,443)
Deferred tax liabilities	390,095	523,976	-	-
<b>Net</b>	<b>(6,303,348)</b>	<b>451,533</b>	<b>(202,341)</b>	<b>(72,443)</b>

The movement on the deferred tax account is as follows:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
At July 1,	451,533	344,943	(72,443)	(179,033)
<b>Recognised in profit or loss</b> (Credit)/charge for the year	(6,799,761)	8,160	(135,848)	8,160
<b>Recognised in other comprehensive income</b> Deferred tax on retirement benefit obligations	44,880	98,430	5,950	98,430
<b>At June 30,</b>	<b>(6,303,348)</b>	<b>451,533</b>	<b>(202,341)</b>	<b>(72,443)</b>

Deferred tax liabilities and deferred tax assets charge in the statement of profit or loss and other comprehensive income are attributable to the following items:

The Group	2019 MUR	Recognised in profit or loss MUR	Recognised in other comprehensive income MUR	2020 MUR
Accelerated capital allowances	80,681	-	-	80,681
Revaluation of land and buildings	676,859	3,114,683	-	3,791,542
Retirement benefit obligations	(57,881)	(7,102,009)	44,880	(7,115,010)
Tax losses	-	(2,812,435)	-	(2,812,435)
Provision for bad debts	(167,445)	-	-	(167,445)
	(225,326)	(9,914,444)	44,880	(10,094,890)
<b>Net deferred tax assets</b>	<b>451,533</b>	<b>(3,685,078)</b>	<b>44,880</b>	<b>(6,303,348)</b>



## Notes to the Financial Statements (continued)

### 13. Deferred Tax and Taxation (continued)

(a) Deferred taxes (continued)

	2018 MUR	Recognised in profit or loss MUR	Recognised in other comprehensive income MUR	2019 MUR
<b>Deferred taxes</b>				
Accelerated capital allowances	596,178	-	-	596,178
Revaluation of land and buildings	80,681	-	-	80,681
	676,859	-	-	676,859
Retirement benefit obligations	(164,471)	8,160	98,430	(57,881)
Provision for bad debts	(167,445)	-	-	(167,445)
	(331,916)	8,160	98,430	(225,326)
Net deferred tax assets	344,943	8,160	98,430	451,533
			<b>2020 MUR</b>	2019 MUR
Tax losses not accounted for			<b>82,679,893</b>	79,571,376

Deferred tax assets are recognised for net tax losses only to the extent that the related tax benefit is probable.

At the end of the reporting period, the Group had unused tax losses of MUR 82.7M (2019: MUR 79.5M) and the Company had MUR 2,218,810 (2019: MUR 124,057). A deferred tax asset has been recognised in respect of MUR 16.5M (2019: MUR Nil) for the Group and MUR Nil (2019: MUR Nil) for the Company of such losses. No deferred tax asset has been recognised in respect of the remaining MUR 66.1M (2019: MUR 79.5M) for the Group and MUR 2,218,810 (2019: MUR 124,057) for the Company due to the unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

	2019 MUR	Recognised in profit or loss MUR	Recognised in other comprehensive income MUR	2020 MUR
<b>The Company</b>				
Deferred taxes				
Accelerated capital allowances	(14,562)	102,751	-	88,189
Retirement benefit obligations	(57,881)	(238,599)	5,950	(290,530)
Net deferred tax assets	(72,443)	(135,848)	5,950	(202,341)

	2018 MUR	Recognised in profit or loss MUR	Recognised in other comprehensive income MUR	2019 MUR
<b>The Company</b>				
Deferred taxes				
Accelerated capital allowances	(14,562)	-	-	(14,562)
Retirement benefit obligations	(164,471)	8,160	98,430	(57,881)
Net deferred tax assets	(179,033)	8,160	98,430	(72,443)

### 13. Deferred Tax and Taxation (continued)

(b) Taxation

#### The Group and the Company

Deferred tax is calculated on all temporary differences under the liability method at 17% (2019: 17%). The following amounts are shown in the Statement of Financial Position:

The Group is taxable at the rate of 17% (2019: 17%) on companies incorporated in Mauritius, at 30% (2019: 30%) on its Indian operations as adjusted for tax purposes and at 35% (2019: 35%) on its Zambian operations as adjusted for tax purposes. The Company is taxable at 17% on the profit for the year as adjusted for income tax purposes.

#### Tax liability

	The Group	
	2020 MUR	2019 MUR
<b>At July 1,</b>	<b>1,229,853</b>	2,267,841
Current year tax liability	<b>1,079,373</b>	1,142,015
<b>Less:</b>		
Tax paid	<b>(1,375,682)</b>	(2,180,003)
<b>At June 30,</b>	<b>933,544</b>	1,229,853

Tax paid in excess is included under other receivables in Note 13.

#### Major components of tax expense:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Tax expense</b>				
Current tax expenses	<b>1,028,840</b>	1,142,015	-	-
CSR	<b>59,543</b>	-	-	-
(Over)/underprovision in previous years	<b>(9,010)</b>	-	-	-
	<b>1,079,373</b>	1,142,015	-	-
<b>Deferred tax</b>	<b>(6,799,761)</b>	8,160	<b>(135,848)</b>	8,160
Deferred tax (credit)/charge (Note 16(a))	<b>(6,799,761)</b>	8,160	<b>(135,848)</b>	8,160
<b>Tax (credit)/charge</b>	<b>(5,720,388)</b>	1,150,175	<b>(135,848)</b>	8,160



## Notes to the Financial Statements (continued)

## 13. Deferred Tax and Taxation (continued)

(b) Taxation (continued)

Numerical reconciliation between tax expenses and the product of accounting profit multiplied by the applicable tax rate.

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>(Loss)/profit before taxation</b>	<b>(32,845,485)</b>	(7,856,949)	<b>(9,129,924)</b>	8,948,970
Tax at the applicable tax rate 17%-35% for the Group and 17% for the Company	<b>(5,685,243)</b>	(1,335,681)	<b>(1,552,087)</b>	1,521,325
<b>Less: Tax effect of:</b>				
Expenses not deductible in determining taxable profits	<b>15,118,944</b>	9,453,498	<b>3,299,213</b>	3,154,983
Deferred tax movement not recognised	<b>1,318,441</b>	3,473,933	<b>490,512</b>	210,018
Exempt income	<b>(10,077,899)</b>	(10,253,709)	<b>(2,373,486)</b>	(4,878,166)
Deferred tax asset not previously recognised	<b>(6,378,336)</b>	-	-	-
Other adjustments	<b>(16,295)</b>	(187,866)	-	-
	<b>(35,145)</b>	2,485,856	<b>1,416,239</b>	(1,513,165)
Tax (credit)/charge	<b>(5,720,388)</b>	1,150,175	<b>(135,848)</b>	8,160

## 14. Inventories

	The Group	
	2020 MUR	2019 MUR
Spare parts and consumables	<b>7,828,219</b>	4,143,464
Provision on stock losses and obsolescence	-	-
	<b>7,828,219</b>	4,143,464

The cost of inventories recognised as an expense amount to MUR 41.7m (2019: MUR 61.9m) and provision for slow moving items amounted to MUR nil (2019: MUR nil).

## 15. Trade and other Receivables

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Trade receivables</b>	<b>30,216,332</b>	23,708,842	<b>3,210,891</b>	-
Less: provision for impairment	<b>(7,214,295)</b>	(6,030,217)	-	-
Trade receivables - net	<b>23,002,037</b>	17,678,625	<b>3,210,891</b>	-
Dividends receivable	<b>567,746</b>	8,657,221	<b>3,880,608</b>	22,640,000
<b>Other receivables and prepayments</b>	<b>8,184,335</b>	34,091,330	<b>1,803,635</b>	785,545
Amount due from fellow subsidiaries	-	-	<b>9,106,275</b>	12,642,483
	<b>31,754,118</b>	60,427,176	<b>18,001,408</b>	36,068,028

## 15. Trade and other Receivables (continued)

The average credit period on trade and other receivables for sale of goods is one month. Before accepting any new customer, the Group assesses the potential customer's credit quality and define credit limits by customer. The attributes of the customers are reviewed on a yearly basis. There is no interest charged on trade receivables for sale of goods.

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. There is no concentration of credit risk at Group level.

(i) Impairment of trade receivables

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

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

The expected loss rates are based on the payment profiles of sales over a period of one year before 30 June 2019 or 30 July 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables:

	Current MUR	More than 30 days past due MUR	More than 60 days past due MUR	More than 120 days past due MUR	Total MUR
<b>At June 30, 2020</b>					
Expected loss rate	11%	5%	5%	45%	66%
<b>Gross carrying amount - trade receivable</b>	<b>4,502,272</b>	<b>3,855,978</b>	<b>8,256,939</b>	<b>13,601,143</b>	<b>30,216,332</b>
<b>Loss allowance</b>	<b>506,661</b>	<b>182,307</b>	<b>442,694</b>	<b>6,082,634</b>	<b>7,214,295</b>
<b>At June 30, 2019</b>					
Expected loss rate	2%	5%	9%	62%	25%
<b>Gross carrying amount - trade receivable</b>	<b>9,316,031</b>	<b>3,310,192</b>	<b>2,338,302</b>	<b>8,744,317</b>	<b>23,708,842</b>
<b>Loss allowance</b>	<b>226,094</b>	<b>159,234</b>	<b>219,491</b>	<b>5,425,398</b>	<b>6,030,217</b>





## Notes to the Financial Statements (continued)

## 15. Trade and other Receivables (continued)

The movements in loss allowances for trade receivables as at 30 June 2020 are as follows:

	Trade receivables	
	The Group	
	2020 MUR	2019 MUR
Loss allowance as at July 1, 2019	6,030,217	5,323,608
Loss allowance recognised in profit or loss during the year	3,095,535	706,609
Receivables written off during the year as uncollectible	(2,288,480)	-
Unused amount reversed	377,023	-
<b>At June 30, 2020</b>	<b>7,214,295</b>	<b>6,030,217</b>

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

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Rupee	31,060,566	60,221,092	18,001,408	36,068,028
US Dollar	-	118,804	-	-
UK Pound	-	-	-	-
Euro	-	18,143	-	-
Kwacha	693,552	69,137	-	-
	<b>31,754,118</b>	<b>60,427,176</b>	<b>18,001,408</b>	<b>36,068,028</b>

- (ii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.
- (iv) The amount due from related parties is unsecured, repayable on demand with interest bearing of 5.5% (2019 :5.5%) per annum. No allowance for doubtful debts has been provided on the basis that these debtors are related entities within the Group and they are expected to be in good financial health once they progress out of their start up phase into the growth stage, with the support of the Group.

## 16. Stated Capital

	The Group and The Company			
	2020 Number of shares	2019	2020 MUR	2019 MUR
Issued and fully paid ordinary shares				
Ordinary shares issued	12,162,150	12,162,150	24,324,300	24,324,300

## 17. Borrowings

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Non-current</b>				
Bank loans	101,860,234	32,665,122	-	-
<b>Current</b>				
Bank overdrafts (note 28(b))	88,457,088	53,687,253	18,357,279	13,713,843
Bank loans	23,849,688	63,015,395	-	-
	<b>112,306,776</b>	<b>116,702,648</b>	<b>18,357,279</b>	<b>13,713,843</b>
	<b>214,167,010</b>	<b>149,367,770</b>	<b>18,357,279</b>	<b>13,713,843</b>

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

	The Group	
	2020 MUR	2019 MUR
- after one year and before two years	46,804,261	32,665,122
- after two years and before five years	55,055,973	-
	<b>101,860,234</b>	<b>32,665,122</b>

(b) The floating interest rate charged by the bank on secured loan repayable by monthly instalments is based on the Prime Lending Rate ("PLR") prevailing in MURritius, plus Fixed Margins which vary between 0.25% to 1.25% per annum. The rates ranged between a minimum of 4.1%, being the PLR in 2020, to 5.1%. During the year ended 30 June 2020, the PLR decreased to 4.10%.

(c) The loans are secured by floating charges on the assets of the Group.

## 18. Employee Benefit Liabilities

The Group and the Company has an unfunded plan which relates to employees who are entitled to retirement gratuities under the Workers Rights Act 2019. The liability under the unfunded plan is typically impacted by changes in discount rate and salary growth.

The valuation of the unfunded retirement benefit obligations for the year ended 30 June 2020 is based on figures reported in the report from actuaries Aon Hewitt Ltd (Actuarial Valuer) and applying accounting estimates as determined by the directors.

Movement in liability recognised in the statement of financial position:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
At July 1	39,223,000	46,543,000	113,000	740,000
Amount recognised in profit or loss	7,972,000	6,003,000	1,631,000	184,000
Amount recognised in OCI	(264,000)	(5,228,000)	(35,000)	(579,000)
Benefits paid	(5,078,000)	(8,095,000)	-	(232,000)
At June 30	<b>41,853,000</b>	<b>39,223,000</b>	<b>1,709,000</b>	<b>113,000</b>



## Notes to the Financial Statements (continued)

### 18. Employee Benefit Liabilities (continued)

The details of the component of the unfunded retirement benefit obligation as per the actuarial report is detailed below for the year ended 30 June 2020.

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Liability recognised in the statement of financial position	<b>41,853,000</b>	39,223,000	<b>1,709,000</b>	113,000

Amount recognised in the statement of profit or loss:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Current service cost	<b>2,945,000</b>	2,957,000	<b>138,000</b>	145,000
Past service cost	<b>2,787,000</b>	365,000	<b>1,486,000</b>	-
Net interest on net defined benefit	<b>2,240,000</b>	2,681,000	<b>7,000</b>	39,000
Included in staff costs	<b>7,972,000</b>	6,003,000	<b>1,631,000</b>	184,000

Components of amounts recognised in Other Comprehensive Income:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Liability experience gain	<b>(411,000)</b>	(4,133,000)	<b>(37,000)</b>	(573,000)
Liability (gain)/loss due to change in financial assumptions	<b>147,000</b>	(1,095,000)	<b>2,000</b>	(6,000)
	<b>(264,000)</b>	(5,228,000)	<b>(35,000)</b>	(579,000)

Reconciliation of the present value:	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Present value of obligation at July 1	<b>39,223,000</b>	46,543,000	<b>113,000</b>	740,000
Current service cost	<b>2,945,000</b>	2,957,000	<b>138,000</b>	145,000
Interest expense	<b>2,240,000</b>	2,681,000	<b>7,000</b>	39,000
Past service cost	<b>2,787,000</b>	365,000	<b>1,486,000</b>	-
Other benefits paid	<b>(5,078,000)</b>	(8,095,000)	-	(232,000)
Liability experience gain	<b>(411,000)</b>	(4,133,000)	<b>(37,000)</b>	(573,000)
Liability (gain)/loss due to change in financial assumptions	<b>147,000</b>	(1,095,000)	<b>2,000</b>	(6,000)
Present value of obligation at June 30	<b>41,853,000</b>	39,223,000	<b>1,709,000</b>	113,000

### 18. Employee Benefit Liabilities (continued)

The principal assumptions used for the purpose of computing the present value of the unfunded retirement benefit obligations:

	The Group and The Company	
	2020 MUR	2019 MUR
Annual discount rate	<b>2.9</b>	6.1
Future annual salary increase	<b>0.8</b>	3.8
Average retirement age (ARA)	<b>65</b>	65

Sensitivity Analysis on Defined Benefit Obligation at End of Period:

	The Group and The Company	
	2020 MUR	2019 MUR
- Increase due to 1% decrease in discount rate		
- RHT Holding Ltd	<b>177,000</b>	32,000
- RHT BUS Services Ltd	<b>5,473,000</b>	5,300,000
- Decrease due to 1% decrease in discount rate		
- RHT Holding Ltd	<b>146,000</b>	23,000
- RHT BUS Services Ltd	<b>4,570,000</b>	4,452,000
- Increase due to 1% increase in salary increase rate		
- RHT Holding Ltd	<b>187,000</b>	33,000
- RHT BUS Services Ltd	<b>5,756,000</b>	5,586,000
- Decrease due to 1% decrease in salary increase rate		
- RHT Holding Ltd	<b>127,000</b>	24,000
- RHT BUS Services Ltd	<b>3,957,000</b>	4,749,000

Future cash flows:

- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.
- Expected contributions from employer Group MUR 1,867,000 (Company MUR 445,000).
- Weighted average duration of the defined benefit obligation:
 

RHT Holding Ltd	9 Years
RHT Bus Services Ltd	13 Years



## Notes to the Financial Statements (continued)

## 19. Deferred Income

	The Group	
	2020 MUR	2019 MUR
At July 1,	8,240,000	10,770,000
Reclassification from other payables	1,833,333	-
Government grant received during the year	2,300,000	-
Government grant released during the year	(2,913,333)	(2,530,000)
At June 30,	9,460,000	8,240,000
Analysed as follows :		
Non-current	6,571,667	5,710,000
Current	2,888,333	2,530,000
	9,460,000	8,240,000

The Group received a government subsidy of MUR 13.3M in 2017 to finance twelve semi-low floor buses and a double decker bus under the Bus Replacement Mechanism. Out of the subsidy, MUR 12M is being amortised over five years which is the operating lease period of the 12 buses. The remaining subsidy, relating to the double decker bus, is being amortised over ten years of the latter finance lease period.

## 20. Obligations under Finance Leases

	The Group	
	2020 MUR	2019 MUR
Minimum lease payments:		
Not later than 1 year	-	25,693,593
Later than 1 year and not later than 5 years	-	87,217,222
	-	112,910,815
Less: Future finance charges on finance leases	-	(15,100,732)
Present value of finance lease liabilities	-	97,810,083
Present value of minimum lease payments:		
Not later than 1 year	-	19,785,327
Later than 1 year and not later than 5 years	-	78,024,756
	-	97,810,083

Finance leases relate to buses and motor vehicles with lease terms between 3 to 5 years. The Group has options to purchase the assets for a nominal amount at the conclusion of the lease agreements.

Leased liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

The fixed interest rate prevailing on the obligation under finance lease during the year was between the range of 6.75% to 7.5% (2019: 6.75% to 7.5%).

## 21. Trade and Other Payables

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Trade payables	14,984,946	14,061,783	3,159,406	-
Other payables and accruals	32,760,078	31,043,377	870,926	17,543,321
Amount due to related companies (Note 35)	-	-	93,657,010	84,710,354
	47,745,024	45,105,160	97,687,342	102,253,675

(i) The average credit period on purchases is two months. The Group and the Company have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

(ii) The amount due to related companies are unsecured, and carries interest at the rate of 5.5% (2019: 5.5%) per annum and repayable on demand to the extent that the company has the ability to settle amounts due.

(iii) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Rupee	40,580,580	45,105,160	97,379,259	102,253,675
US Dollar	-	-	-	-
UK Pound	-	-	-	-
Euro	308,083	-	308,083	-
Kwacha	6,856,361	-	-	-
	47,745,024	45,105,160	97,687,342	102,253,675

## 22. Non-Current Assets Held for Sale

	The Group	
	2020 MUR	2019 MUR
At July 1,	-	-
Transfer from Investment Properties (note 6)	19,500,000	-
At June 30,	19,500,000	-

For 30 June 2020, the Group reclassified one of its plots of land to non-current assets held for sale following the decision of the board to dispose of this lot. A pre-sale agreement has already been signed and the sale will be completed within the next 12 months.





## Notes to the Financial Statements (continued)

## 23. Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend are declared. The liability is extinguished when actual payments are made to the shareholders.

	The Group and The Company	
	2020 MUR	2019 MUR
<i>Interim dividend</i>		
Interim ordinary dividend of MUR 0.50 (2019: MUR 0.50) per ordinary share	6,081,075	6,081,075
<i>Dividend declared</i>		
Final ordinary dividend of MUR 0.40 (2019: MUR 0.40) per ordinary share	-	4,864,860
	<b>6,081,075</b>	<b>10,945,935</b>
At 1 July,	<b>10,945,935</b>	13,378,365
Dividend declared during the year	<b>6,081,075</b>	10,945,935
Dividend paid	<b>(9,945,675)</b>	(13,378,365)
At 30 June,	<b>7,081,335</b>	10,945,935

On 14 November 2019, the Board of Directors declared an interim dividend of MUR 0.50 per ordinary share (2018: MUR 0.50) and no final dividend per ordinary share was declared (2019: MUR 0.40).

## 24. Revenue

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Recognised at a point in time:</b>				
Traffic receipts	92,239,712	129,532,652	-	-
Fare subsidy	54,768,000	54,768,000	-	-
Other transport revenue	13,642,741	5,187,924	-	-
Rental of motor vehicles	42,184,635	26,495,912	-	-
Service fees	51,700,756	59,749,109	-	-
Dividend income	-	-	13,961,682	32,062,540
	<b>254,535,844</b>	<b>275,733,597</b>	<b>13,961,682</b>	<b>32,062,540</b>

Further segmental and geographical breakdowns are provided in segmental reporting (note 32).

## 25. Operating Expenses

	The Group	
	2020 MUR	2019 MUR
Drivers' and conductors' wages and salaries	112,343,781	119,768,065
Cost of tyres, tubes and fuel	31,396,824	49,808,227
Cost of spare parts	8,837,655	13,843,835
Cost of stationery, ticket and rolls	166,762	228,789
WIFI expenses	558,705	7,450
Insurance	5,502,285	4,824,105
Software and support	5,664,818	5,180,282
Depreciation	11,396,646	19,200,826
Depreciation right-of-use assets	25,206,863	-
Outsourcing	-	1,053,687
Cost of equipment sold	5,035,311	6,796,476
Provision for stock losses and obsolescence	-	-
Rentals	1,233,543	11,231,502
SIM card charges	2,582,189	2,750,509
Repairs and maintenance	3,098,533	4,238,860
Other operating expenses	9,487,269	11,409,258
	<b>222,511,183</b>	<b>250,341,871</b>

## 26. Investment Income

	The Group	
	2020 MUR	2019 MUR
Dividend Income	13,382,500	18,751,597
Gain/(loss) on sale of investments	4,098,131	(280,476)
Interest income	918,244	888,133
	<b>18,398,876</b>	<b>19,359,254</b>

The Company recognises dividend income as revenue.

## 27. Other Income

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Bus advertising	1,575,923	2,080,043	-	-
Insurance claims	1,378,946	432,302	-	-
Profit on disposal of property, plant and equipment	168,071	5,056,639	-	-
Other income*	10,181,957	10,841,358	107,999	-
Government wage assistance scheme	12,415,062	-	463,973	-
Financial support**	26,810,400	26,675,535	-	-
Monthly support fee	-	-	3,758,088	5,015,462
Interest from intercompany balances	-	-	131,145	106,055
Profit on disposal of investment property	1,837,403	-	-	-
Interest on savings accounts	25,569	145	-	-
	<b>54,393,331</b>	<b>45,086,022</b>	<b>4,461,205</b>	<b>5,121,517</b>

\* Other Income includes refund received on accident and income from sale of scrapped metal.

\*\* Financial Support relates to subsidy received from Government to help bus operators cater for increases in the price of diesel.



## Notes to the Financial Statements (continued)

## 28. Administrative Expenses

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Staffs' salaries	43,980,606	43,716,667	10,674,141	12,579,870
Motor vehicle running expenses	1,428,298	1,599,669	-	-
Advertising	1,660,625	3,121,282	264,118	490,240
Utilities and rentals	2,784,211	5,762,296	22,073	174,670
Repairs and maintenance	1,197,702	775,894	-	-
General expenses	14,250,347	7,520,377	4,382,115	3,167,990
Impairment of property, plant and equipment	1,762,283	-	-	-
Depreciation of property, plant and equipment	3,634,822	4,184,596	230,848	61,685
Depreciation right-of-use assets	875,936	-	452,462	-
Amortisation	895,486	835,149	186,675	186,675
Professional fees	6,032,369	6,727,366	3,687,817	2,845,610
Training expenses	230,461	1,132,384	60,503	-
Security office	131,197	1,176,885	-	-
Increase in provision for impairment	3,142,255	1,044,958	-	-
Other receivables written off	4,127,565	-	-	-
Other sundry expenses	9,607,642	11,885,169	2,230,824	4,406,609
	95,741,804	89,482,692	22,191,575	23,913,349

## 29. Finance Costs

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<i>Interest paid on:</i>				
Bank loans	6,028,443	6,338,076	-	-
Bank overdrafts	3,595,946	3,118,369	755,931	385,822
Lease liabilities	8,373,741	-	126,728	-
Obligations under finance Leases	-	4,608,573	-	-
Loan from group companies	-	-	4,478,577	3,935,916
Exchange (gain)/loss	(340,780)	293,941	-	-
	17,657,351	14,358,959	5,361,236	4,321,738

## 30. Earnings Per Share

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>Basic and diluted earnings per share</b>				
(Loss)/profit for the year attributable to owners of the Company	(27,125,097)	(9,007,124)	(8,994,076)	8,940,810
Equity shares in issue	12,162,150	12,162,150	12,162,150	12,162,150
Basic and diluted earnings per share	(2.23)	(0.74)	(0.74)	0.74

As the Company has not issued any class of share, option or otherwise which have dilution potential, the basic and diluted earnings per share are therefore the same.

## 31. Net Asset Value Per Share

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
<b>value per</b>				
Equity attributable to holders of the Company	573,322,215	673,750,711	393,359,638	408,405,739
Equity shares in issue	12,162,150	12,162,150	12,162,150	12,162,150
Net asset per share	47.14	55.40	32.34	33.58

## 32. Segmental Reporting

Information regarding the Group's reportable segments is presented below.

## Products and services from which reportable segments derive their revenues.

Segment information reported externally are analysed on the basis of the business segments provided by the Group's operating divisions (i.e. Bus operating services, investing activities, rental of offices and trading activities). Information reported to the Group's chief operating decision maker is more specifically focused on these business segments.

## Geographical information

The Group operates in two principal geographical areas - Mauritius (country of domicile) and Zambia for its subsidiary ICL Zambia Ltd.

The Group's revenue from continuing operations from external customers and information about its segment assets by geographical location are detailed below:

Geographical	The Company	
	2020 MUR	2019 MUR
<b>Geographical revenue:</b>		
Mauritius	252,599,343	270,916,907
India	-	-
Zambia	1,936,501	4,816,690
<b>Total revenue</b>	<b>254,535,844</b>	<b>275,733,597</b>
<b>Geographical results:</b>		
Mauritius	(31,652,387)	(8,608,438)
India	-	-
Zambia	(1,193,098)	751,489
<b>(Loss)/profit before tax</b>	<b>(32,845,485)</b>	<b>(7,856,949)</b>

Segment assets	The Company	
	2020 MUR	2019 MUR
Mauritius	1,020,036,864	1,025,486,101
India	-	-
Zambia	3,261,449	710,387
	<b>1,023,298,313</b>	<b>1,026,196,488</b>
<b>Segment liabilities</b>		
Mauritius	446,461,364	351,647,676
India	-	798,101
Zambia	3,514,734	-
	<b>449,976,098</b>	<b>352,445,777</b>

## 32. Segmental Reporting (continued)

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Operating		Financial		Rentals		Trading		Total	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Segmental Revenue	217,426,884	229,819,187	13,961,682	32,062,540	10,148,310	11,894,356	31,120,251	34,020,054	272,657,127	307,796,137
Segment revenue from other operating segments within Group	-	-	(13,961,682)	(32,062,540)	(4,159,601)	-	-	-	(18,121,283)	(32,062,540)
Segment revenue from external customers	217,426,884	229,819,187	-	-	5,988,709	11,894,356	31,120,251	34,020,054	254,535,844	275,733,597
Investment income	-	-	18,398,876	19,359,254	-	-	-	-	18,398,876	19,359,254
Gain/(loss) on financial asset at FVTPL	-	-	(24,263,197)	6,147,700	-	-	-	-	(24,263,197)	6,147,700
Other income	46,150,467	44,626,754	4,194,284	-	2,977,564	-	1,071,016	459,268	54,393,331	45,086,022
Loss on revaluation of investment properties	-	-	-	-	-	-	-	-	-	-
<b>Segment results - (Loss)/profit from Operations</b>	<b>6,086,810</b>	<b>(2,310,044)</b>	<b>(24,450,687)</b>	<b>5,310,013</b>	<b>3,139,324</b>	<b>530,880</b>	<b>36,420</b>	<b>2,971,161</b>	<b>(15,188,134)</b>	<b>6,502,010</b>
Finance costs	(12,734,838)	(10,298,947)	(2,564,028)	(406,712)	(2,265,304)	(3,564,219)	(93,181)	(89,081)	(17,657,351)	(14,358,959)
<b>(Loss)/profit before taxation</b>									<b>(32,845,485)</b>	<b>(7,856,949)</b>

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 2. Segment profit represents the profit earned by each segment, share of results of associates and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

## 32. Segmental Reporting (continued)

### Segment assets and liabilities

	Operating		Financial		Rentals		Trading		Total	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Segment assets	128,912,784	23,282,397	764,942,780	773,115,917	115,740,323	207,341,067	13,702,426	22,457,107	1,023,298,313	1,026,196,488
Associates	-	-	-	-	-	-	-	-	-	-
Segment liabilities	199,457,122	51,521,008	16,743,084	45,387,534	12,870,667	4,567,782	6,348,119	3,267,624	235,418,992	104,743,948
Borrowings	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	390,096	523,976
									449,976,098	352,445,777
<b>Additions to:</b>										
Property, Plant and Equipment	17,688,512	95,427,170	1,405,596	165,906	479,714	-	1,180,275	2,718,584	20,754,097	98,311,660
Investment property	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	405,779	20,663	-	99,138	405,779	119,801
<b>Depreciation and amortisation:</b>										
Property, Plant and Equipment	10,707,619	20,123,134	11,023	61,685	2,117,034	1,071,711	2,195,792	2,128,893	15,031,468	23,385,422
Amortisation of right of use asset	25,394,940	-	452,462	-	-	-	235,397	-	26,082,799	-
Intangible assets	285,191	163,519	-	186,675	183,011	64,794	427,284	420,161	895,486	835,149

Segment assets consist primarily of property, plant and equipment, investment properties, investment in securities, inventories, receivables and share of investment in associates, intangible assets, cash and cash equivalents and deferred taxation.

Segment liabilities comprise operating liabilities and exclude items such as deferred taxation and borrowing. Capital expenditure comprises additions to property, plant and equipment, investment properties and intangible assets.

#### Information about major customers

There is no single customer who generates more than 10% of the revenues of the Group and the Company.







## Notes to the Financial Statements (continued)

## 33. Notes to Statement of Cash Flows

## (a) Cash and cash equivalents

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Cash at bank and in hand	56,559,928	68,141,162	3,785,163	2,787,827
Bank overdraft	(88,457,088)	(53,687,253)	(18,357,279)	(13,713,843)
	<b>(31,897,160)</b>	14,453,909	<b>(14,572,116)</b>	(10,926,016)

## (b) Reconciliation of liabilities arising from financing activities

	The Group			
	At July 1 MUR	Cash flows	Non-cash transactions	At June 30 2020
Bank loans	95,680,517	30,029,405	-	125,709,922
Lease liabilities	-	(28,097,247)	156,443,338	128,346,091
Finance lease obligations	97,810,083	-	(97,810,083)	-
Total liabilities from financing activities	<b>193,490,600</b>	<b>1,932,158</b>	<b>58,633,255</b>	<b>254,056,013</b>

	The Company			
	At July 1 MUR	Cash flows	Non-cash transactions	At June 30 2020
Lease liabilities	-	(397,213)	3,990,233	3,593,020
Total liabilities from financing activities	-	<b>(397,213)</b>	<b>3,990,233</b>	<b>3,593,020</b>

## 34. Commitments

## Capital commitments

Capital commitment for the acquisition of new motor vehicles, computer equipment, electronic equipment, furniture and fittings and new bus depot which have been approved by the Board but not yet contracted for is as disclosed below:

	The Group	
	2020 MUR	2019 MUR
- Property, plant and equipment	50,000,000	109,700,000

## 35. Related Party Transactions

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## The Group

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

## The Company

Details of transactions between the fellow subsidiaries are disclosed below.

## Outstanding balances:

Amount payable to subsidiaries		Amount receivable from subsidiaries		Dividend Receivable		Rental payable	
2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR
93,657,010	84,710,354	9,106,275	12,642,483	3,880,608	22,640,000	-	-

## Nature and volume of transaction:

Costs recharges		Management fees		Dividend		Rental expenses	
2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR	2020 MUR	2019 MUR
749,840	-	3,758,088	5,096,870	13,961,682	32,062,540	561,492	561,492

All inter-company loan bear interest at 5.5% per annum (2019: 5.5% per annum). The loans are unsecured and repayable on demand to the extent that the Company has the ability to settle the amount due.

For the financial year ended June 30, 2020, the Company assessed that no provision for impairment losses relating to amounts owed by related parties is necessary (2019: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the entity related party operates.

## Compensation of key management personnel

The remuneration of directors during the year is as follows:

	The Group		The Company	
	2020 MUR	2019 MUR	2020 MUR	2019 MUR
Short term benefit				
- Executive	5,689,404	6,484,197	-	-
- Non-Executive	3,142,779	2,822,633	3,142,779	2,822,633
	<b>8,832,183</b>	9,306,830	<b>3,142,779</b>	2,822,633

## Notes to the Financial Statements (continued)

### 36. Government Grant

	The Group	
	2020 MUR	2019 MUR
Government grants received for:		
Bus fare, wages and diesel	<b>81,578,400</b>	85,043,535
Financing of buses on operating leases (Note 36)	<b>2,300,000</b>	2,000,000

Government grants have been received for operation of bus services and were in respect of bus fares of students, disabled persons and pensioners and financial support for wages and diesel. There are no unfulfilled conditions or contingencies attached to these grants. Government grants amounting to MUR 54.8M (2019: MUR 54.8M) have been included in revenue and financial support for wages and diesel amounting to MUR 26.8M (2019: MUR 30.2M) has been included in other income.

### 37. Changes in Accounting Policies

#### Impact on the financial statements - IFRS 16

The Group and the Company adopted IFRS 16 with a transition date of 1 July 2019. The Group and the Company have chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements.

Effective 1 January 2019, IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group and the Company do not have significant leasing activities acting as a lessor.

#### Transition Method and Practical Expedients Utilised

The Group and the Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures. The Group and the Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 as applied only to contracts entered into or changed on or after 1 July 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group and the Company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- (a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
- (c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- (d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of the initial application.

As a lessee the Group and the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group and the Company have elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

### 37. Changes in Accounting Policies (continued)

#### Impact on the financial statements - IFRS 16 (continued)

On adoption of IFRS 16, the Group and Company recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Less liabilities
Operating leases that meet the definition of investment property in IAS 40	Fair value as at July 01, 2019	Measured at the present value of the remaining lease payments, discounted using the Group's and the Company's incremental borrowing rate as at July 1, 2019. The Group's and the Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was between 6% and 10%.
All other operating leases	Office space: Right-of-use assets are measured at an amount equal to the lease liability; adjusted by the amount of any prepaid or accrued lease payments.  All other: the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.	
Finance leases	Measured based on the carrying values for the lease assets and liabilities immediately before the date of initial application (i.e. carrying values brought forward, unadjusted).	

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 July 2019:

The Group	Adjustments	June 30, 2019 As originally Presented MUR	IFRS 16 MUR	July 1, 2019 MUR
<b>Assets</b>				
Property, plant and equipment	(a)	274,929,758	(101,163,987)	173,765,771
Right-of-use assets	(b)	-	122,678,769	122,678,769
<b>Liabilities</b>				
Obligations under finance leases	(c)	97,810,083	(97,810,083)	-
Lease liabilities	(b)	-	119,324,864	119,324,864
<b>The Company</b>				
<b>Assets</b>				
Right-of-use assets	(b)	-	3,990,233	3,990,233
<b>Liabilities</b>				
Lease liabilities	(b)	-	3,990,233	3,990,233



## Notes to the Financial Statements (continued)

### 37. Changes in Accounting Policies (continued)

#### Impact on the financial statements - IFRS 16 (continued)

(a) The Group

Property, plant and equipment was adjusted to reclassify leases previously classified as finance type to right-of-use assets. The adjustment reduced the cost of property, plant and equipment by MUR 112,074,190 and accumulated depreciation by MUR 10,910,203 for a net adjustment of MUR 101,163,987.

(b) The adjustment to right-of-use assets is as follows:

	The Group 2020 MUR	The Company 2020 MUR
Adjustment noted in (a) - finance type leases	101,163,987	-
Operating type leases	21,514,781	3,990,233
Right-of-use assets	122,678,769	3,990,233

(c) Borrowings were adjusted to reclassify leases previously classified as finance type to lease liabilities.

(d) There was no impact on retained earnings.

The following table presents the impact of adopting IFRS 16 on the statement of profit or loss for the year ended 30 June 2020:

	The Group 2020 MUR	The Company 2020 MUR
Depreciation on right-of-use assets	26,082,799	452,462
Interest on lease liabilities	8,373,741	126,728
	34,456,540	579,190

The following table presents the impact of adopting IFRS 16 on the statement of cash flows for the year ended 20 June 2020:

	The Group 2020 MUR	The Company 2020 MUR
Principal paid on lease liabilities	(28,097,247)	(397,213)
Interest paid on lease liabilities	(8,373,741)	(126,728)
	(36,470,988)	(523,941)

### 38. Events After Reporting Date

#### Amalgamation of subsidiary

On 15 July 2020 RHT Properties Ltd and Hugnin Properties Ltd were amalgamated into RHT Investments Ltd.

#### Disposal of investment in ACM India

On 15 October 2020 the board decided to dispose of all of its investment in ACM India Focus Fund in order to partly fund the subscription of preference shares in Victoria Station Ltd.

#### Agreement with Victoria Station

On 3 September 2020 one of the groups's subsidiaries (RHT Bus Services Ltd) has entered into an agreement with Victoria Station Ltd for bus terminal management services for the Victoria Urban Terminal project at Port Louis.

### 39. Impact of COVID-19

The impact of COVID-19 on the Group has been considerable in terms of loss of revenues and fair value of its investments.

Governments worldwide announced relief packages to support affected businesses to mitigate the impact of COVID-19. The Government of Mauritius has introduced Wages Assistance Scheme as from March 2020. In addition, the Group took immediate and decisive action to mitigate the impact of COVID-19.

Recovery Plan

Key actions of the Company's recovery plan include:

- (i) Freezing of all non-urgent capital expenditure.
- (ii) Deferral of loan/lease repayments and additional banking facilities sought with the banks.
- (iii) Negotiation with creditors to stretch payment terms
- (iv) Continued support from Government in respect of Wages Assistance Scheme
- (v) Cost reduction exercises across the Group

The Group is also relying on continuous support from its shareholders and bankers in the foreseeable future following their going concern assessment.

Following their going concern assessment and key areas of uncertainty, the Directors having considered the adequacy of the Company's and Group's funding, borrowing facilities and operating cash flows, for at least the next 12 months, are satisfied that the financial statements are prepared on a going concern basis.

In line with its operating plan, the Company has drawn cash flow forecasts over a period of 5 years. The estimated cashflows involve known and unknown risks and uncertainties, which may cause actual performance and financial performance in future periods to differ materially from forecasted cash flows.

The Directors continue to monitor the impact of COVID-19 on the activities and investment values of the Group as the situation develops and the situation becomes clearer.





## Corporate Information

Company Name:	RHT Holding Limited
Business Registration Number:	C893
Date of Incorporation:	27 April 1954
Registered Office:	Navitas Corporate Services Ltd Navitas House Robinson Road Floréal Mauritius Tel: (230) 670 7277 Fax: (230) 698 5351
Company Secretary:	Navitas Corporate Services Ltd
External Auditor:	BDO & Co. 10, Frère Félix de Valois Street Port Louis Mauritius
Internal Auditor:	PwC Mauritius ("PwC") PwC Centre Avenue de Telfair Telfair 80829 Moka Mauritius
Main Bankers:	The Mauritius Commercial Bank Ltd SBM Bank (Mauritius) Ltd Absa Bank (Mauritius) Limited MauBank Ltd
Share Registry:	MCB Registry and Securities Ltd Raymond Lamusse Building Sir William Newton Street Port Louis Mauritius

## Notice of Annual Meeting to Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of the RHT Holding Ltd (the "Company") will be held at RHT House, 15/15A Gordon Street, Rose Hill, Mauritius on the 18 December 2020 at 10.00 hours to transact the following business in the manner required for the passing of ORDINARY RESOLUTIONS:

1. Presentation of the Group CEO on the Group activities for the financial year ended 30 June 2020;
2. To consider and approve the minutes of proceedings of the last Annual Meeting of Shareholders held on 18 December 2019

### ORDINARY RESOLUTION I.

"RESOLVED that the minutes of proceedings of the last Annual Meeting of Shareholders held on 18 December 2019 be hereby approved."

3. To consider the Annual Report of the Company for the year ended 30 June 2020;
4. To receive the report of the auditors of the Company;
5. To consider and adopt the audited financial statements of the Company for the year ended 30 June 2020;

### ORDINARY RESOLUTION II.

"RESOLVED that the audited financial statements of the Company for the financial year ended 30th June 2020 be hereby adopted."

6. To re-appoint, by way of separate resolutions, as Directors of the Company to hold office until the next Annual Meeting, the persons listed at III. to X. below who offer themselves for re-election;

### ORDINARY RESOLUTIONS III. to X.

"RESOLVED that the following persons be hereby re-appointed as Directors of the Company:"

- III. Mr. Paul C. K. F. Ah Leung
- IV. Ms. Meha Desai
- V. Mr. Ravindra Goburdhun
- VI. Mr. Uday Gujadhur
- VII. Mr. Yoosuf Mohamed Kureeman
- VIII. Mr. Gilbert Patrick Stephane Leal
- IX. Mr. Kamil Patel
- X. Dr. Sidharth Sharma

7. To re-appoint BDO & Co as auditors of the Company to hold office until the next Annual Meeting of Shareholders and to authorise the Board of Directors to fix their remuneration;

### ORDINARY RESOLUTION XI.

"RESOLVED that BDO & Co be hereby re-appointed as the auditors of the Company to hold office until the next Annual Meeting and to authorise the Board of Directors to fix their remuneration."

BY ORDER OF THE BOARD,

### Navitas Corporate Services Ltd

Company Secretary

13 November 2020

**Notes:**

- (a) A shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a shareholder or not) to attend and vote on his/her behalf.
- (b) The instrument appointing the proxy or any general power of attorney should reach the Company Secretary, Navitas Corporate Services Ltd, Navitas House, Robinson Road, Floréal (Attention: Mrs. Vidou Seetaram), not less than twenty-four (24) hours before the start of the meeting 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 2020.
- (d) In accordance with the Practice Direction (No.5 of 2020) issued by the Registrar of Companies on "Sending of Annual Report", we wish to inform you that the Annual Report 2020 of the Company can be viewed on the Company's website: [www.rht.mu](http://www.rht.mu) as from 3 December 2020.
- (e) Shareholders may request a copy of the annual report by contacting the Secretary, Navitas Corporate Services Ltd (Attention: Mrs. Vidou Seetaram), on the 670 7277 or by email at the following address: [vseetaram@navitascorporate.com](mailto:vseetaram@navitascorporate.com).

This Notice is issued pursuant to Rule 14 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Directors of RHT Holding Ltd accepts full responsibility for the accuracy of the information contained in this notice.

## Proxy Form

I/We.....  
of.....  
being a shareholder of **RHT HOLDING LTD** ("the Company"), do hereby appoint:  
.....  
of.....  
or failing him/her, the Chairperson of the meeting, as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual Meeting of the Shareholders of the Company to be held on the **18 December 2020** at 10.00 hours at the RHT House, 15/15A Gordon Street, Rose Hill and at any adjournment thereof.

I/we desire my/our vote to be cast on the Resolutions as follows:

ORDINARY RESOLUTIONS:	For	Against	Abstain
I. RESOLVED that the minutes of proceedings of the last Annual meeting of Shareholders held on 18 December 2019 be hereby approved.			
II. RESOLVED that the audited financial statements of the Company for the financial year ended 30 June 2020 be hereby adopted.			
III. RESOLVED that Mr. Paul C. K. F. AH LEUNG be hereby re-appointed as Director of the Company.			
IV. RESOLVED that Ms. Meha DESAI be hereby re-appointed as Director of the Company.			
V. RESOLVED that Mr. Ravindra GOBURDHUN be hereby re-appointed as Director of the Company.			
VI. RESOLVED that Mr. Uday GUJADHUR be hereby re-appointed as Director of the Company.			
VII. RESOLVED that Mr. Yoosuf Mohamed KUREEMAN be hereby re-appointed as Director of the Company.			
VIII. RESOLVED that Mr. Gilbert Patrick Stephane LEAL be hereby re-appointed as Director of the Company.			
IX. RESOLVED that Mr. Kamil PATEL be hereby re-appointed as Director of the Company.			
X. RESOLVED that Dr. Sidharth SHARMA be hereby re-appointed as Director of the Company.			
XI. RESOLVED that BDO & Co be hereby re-appointed as the auditors of the Company to hold office until the next Annual Meeting and to authorise the Board of Directors to fix their remuneration.			
XII. RESOLVED that audit fees paid to BDO & Co for the year ended 30 June 2020 be hereby ratified.			

Dated this ..... day of ..... 2020.

Signature: .....

## Proxy Form (continued)

### Notes:

1. A Shareholder of the Company entitled to attend and vote at this meeting may appoint a proxy of his/her own (whether the person is also a shareholder or not) to attend and vote on his/her behalf.
2. Please tick in the appropriate box how you wish to vote. If no specific direction is given, the proxy will exercise his/her own discretion as to how he/she votes.
3. The instrument appointing the proxy should reach the Company Secretary by post or by email, 24 hours before the start of the Annual Meeting of Shareholders (i.e. **at latest on the 17 December 2020 at 10.00 hours**), at the address below:

*By post:*

*MCB Registry & Securities Ltd  
1<sup>st</sup> Floor, Raymond Lamusse Building  
Sir William Newton Street, Port-Louis*





## RHT HOLDING LTD

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